# NOTICE

THIS OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (2) PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND WHO ARE OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OR THE UNITED KINGDOM, A QUALIFIED INVESTOR).

**IMPORTANT: You must read the following before continuing.** The following applies to the offering circular following this notice, whether received by e-mail or otherwise received as a result of electronic communication. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your representation**: In order to be eligible to view the offering circular or make an investment decision with respect to the notes, investors must be either (1) qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") or (2) persons who are not U.S. persons (as defined in Regulation S under the Securities Act) and who are outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act; provided that investors resident in a (i) Member State of the European Economic Area must be a qualified investor (within the meaning of Regulation 2017/1129 (the "Prospectus Regulation") and (ii) the United Kingdom (the "UK") must be a qualified investor (within the meaning of Regulation 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") (the "UK Prospectus Regulation"). The offering circular is being sent at your request. By accepting this e-mail and by accessing the offering circular, you shall be deemed to have represented to us and the initial purchasers set forth in the attached offering circular (collectively, the "Initial Purchasers") that: (1) you consent to delivery of such offering circular by electronic transmission; and (2) either you and any customers you represent are: (a) QIBs; or (b) outside the United States and the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the European Economic Area or the United Kingdom, you are a qualified investor). Prospective purchasers that are QIBs are hereby notified that the seller of the notes offered under the offering circular may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

You are reminded that the offering circular has been delivered to you on the basis that you are a person into whose possession the offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the offering circular to any other person. Under no circumstances shall the offering circular constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any initial purchaser of the notes offered under the offering circular or any affiliate of any such initial purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such an initial purchaser or affiliate on behalf of the issuer in such jurisdiction.

The offering circular has not been approved by an authorised person in the United Kingdom. The notes may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

MiFID II Product Governance / Professional investors and eligible counterparties only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market

assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance/ Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA - The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, any person who controls any joint lead manager, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you from the Initial Purchasers upon your request.

# Glencore Funding LLC

*(Incorporated with limited liability under the laws of Delaware)*

## U.S.$600,000,000 1.625 per cent. Notes due 2026
**Issue price: 99.895 per cent.**

## U.S.$600,000,000 2.850 per cent. Notes due 2031
**Issue price: 99.888 per cent.**

## U.S.$500,000,000 3.875 per cent. Notes due 2051
**Issue price: 99.965 per cent.**

**Fully and unconditionally guaranteed as to payment of principal and interest by Glencore plc, Glencore International AG and Glencore (Schweiz) AG**

The 1.625 per cent. Notes due 2026 (the "2026 Notes"), the 2.850 per cent. Notes due 2031 (the "2031 Notes") and the 3.875 per cent. Notes due 2051 (the "2051 Notes" and, together with the 2026 Notes and the 2031, the "Notes") are being offered by Glencore Funding LLC (the "Issuer"). Upon issue, payment of the principal and interest on the Notes will, subject to the limitations described in "Risk Factors" and "Description of the Notes and Guarantees", be fully and unconditionally guaranteed on a senior, unsecured, and joint and several basis by Glencore plc (the "Company" or "Glencore"), Glencore International AG ("GIAG") and Glencore (Schweiz) AG ("Glencore Schweiz" and, together with the Company and GIAG, the "Guarantors") pursuant to the guarantees relating to the Notes (the "Guarantees") as set forth in the indenture under which the Notes will be issued (the "Indenture"). The Notes and the Guarantees will rank *pari passu* with all other direct, unsecured and unsubordinated obligations (except for certain limited exceptions and those obligations preferred by statute or operation of law) of the Issuer and the Guarantors, respectively.

The Issuer will pay interest on the 2026 Notes semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021. The Issuer will pay interest on the 2031 Notes semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021. The Issuer will pay interest on the 2051 Notes semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021. The Notes are redeemable in whole or in part at any time at the option of the Issuer or the Guarantors at a redemption price equal to the make-whole amounts described in "Description of the Notes and Guarantees". In addition, the Notes are redeemable in whole but not in part at the option of the Issuer upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

The Notes will be issued initially in fully registered form as beneficial interests in one or more Global Notes (as defined in this offering circular (the "Offering Circular")). Except as set forth in this Offering Circular, Global Notes will not be exchangeable for Definitive Notes (as defined in this Offering Circular).

**Investing in the Notes involves certain risks. For a discussion of certain factors that should be considered in connection with an investment in the Notes, see "*Risk Factors*".**

The Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any State securities laws and are being offered and sold within the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") and outside the United States to, or for the account or benefit of, persons other than U.S. persons (within the meaning given in Regulation S under the Securities Act ("U.S. persons")) in reliance on Regulation S under the Securities Act ("Regulation S"). For further details about eligible offerees, deemed representations and transfer and resale restrictions, please see "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes are being offered subject to various conditions and are expected to be delivered on or about 27 April 2021 through the facilities of The Depository Trust Company ("DTC") and its participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, SA ("Clearstream, Luxembourg").

*Joint Book-Running Managers*

**J.P. Morgan** **Mizuho Securities** **Morgan Stanley** **Scotiabank** **SMBC Nikko**

**21 April 2021**

No dealer, salesperson or other person has been authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, any such information or representation must not be relied upon as having been authorised by the Issuer or the Guarantors, any of their respective affiliates or the Initial Purchasers. This Offering Circular does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this Offering Circular nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Offering Circular or that there has been no adverse change in the consolidated statement of financial position of the Company and its consolidated subsidiaries (collectively the "Group") since the date hereof or that the information contained in this Offering Circular is correct as of any time subsequent to its date.

This Offering Circular is being provided on a confidential basis to certain prospective holders of Notes inside and outside the United States (together the "Noteholders") for use solely in connection with the offer and sale of the Notes (the "Offering"). Its use for any other purpose is not authorised. This Offering Circular may not be copied or reproduced in whole or in part, nor may it be distributed nor may any of its contents be disclosed to any person other than the prospective Noteholders to whom it is being provided. You agree to the foregoing by accepting delivery of this Offering Circular.

In making an investment decision, prospective Noteholders must rely on their own examination of the Issuer and the Guarantors and their respective affiliates, the terms of the Notes and the financial information contained in this Offering Circular and their own assessment of the merits and risks involved.

Prospective Noteholders acknowledge that they have not relied, and will not rely, on the Initial Purchasers in connection with their investigation of the accuracy of any information or their decision to invest in the Notes. The contents of this Offering Circular are not to be considered as legal, business, financial, investment or tax advice. Prospective Noteholders should consult their own counsel, accountants and other advisers as to legal, tax, business, financial, investment and related aspects of a purchase of the Notes.

The laws of certain jurisdictions may restrict the distribution of this Offering Circular and the offer and sale of the Notes. You should inform yourself about and observe any applicable restrictions. This Offering Circular does not constitute, and may not be used in connection with, an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction in which the offer or solicitation is not authorised or in which the person making the offer or solicitation is not qualified to do so, and it does not constitute, and may not be used in connection with, an offer to sell Notes to, or a solicitation of an offer to buy Notes from, any person to whom it is unlawful to make the offer or solicitation. For a further description of certain restrictions on the Offering and sale of the Notes and the distribution of this Offering Circular, prospective Noteholders should read "*Plan of Distribution*" and "*Transfer Restrictions*".

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area will be made pursuant to an exemption under Regulation 2017/1129 (the "Prospectus Regulation") from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Member State of the European Economic Area of Notes which are the subject of the Offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Book-Running Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Initial Purchasers to publish a prospectus for such offer.

This Offering Circular has been prepared on the basis that any offer of Notes in the United Kingdom (the "UK") will be made pursuant to an exemption under section 86 the Financial Services and Markets Act 2000 (the

"FSMA") from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in the UK which are the subject of the Offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Book-Running Managers to publish a prospectus pursuant to section 85 of the FSMA, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Initial Purchasers to publish a prospectus for such offer.

The Notes will be issued in fully registered form and only in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes that are to be offered and sold initially to QIBs in reliance on Rule 144A will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Rule 144A Global Notes"), and the Notes that are to be offered and sold initially to, or for the account or benefit of, persons other than U.S. persons in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Regulation S Global Notes").

The Rule 144A Global Notes will be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee for DTC. The Regulation S Global Notes will also be deposited with a custodian for DTC, and registered in the name of, Cede & Co. as nominee for DTC, for credit to the respective accounts of beneficial owners of such Notes (or to such other accounts as they may direct) at DTC, Euroclear and Clearstream, Luxembourg. The Rule 144A Global Notes and the Regulation S Global Notes together comprise the "Global Notes". For further information, prospective Noteholders should read "*Book-Entry, Delivery and Form*".

## CERTAIN U.S. MATTERS

This Offering is being made in reliance upon an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the Notes, investors are deemed to have made the acknowledgements, representations, warranties and agreements set forth under "*Transfer Restrictions*".

Neither the United States Securities and Exchange Commission (the "SEC") nor any State securities commission has approved or disapproved of the Notes and the Guarantees or passed upon the accuracy or adequacy of this Offering Circular or any supplement thereto. Any representation to the contrary is a criminal offence in the United States. The Notes may only be offered and sold in the United States to QIBs within the meaning of and in reliance on Rule 144A and outside the United States to persons other than U.S. persons in reliance on Regulation S.

The Notes and the Guarantees have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes and the Guarantees may not be offered or sold in the United States. For further information, prospective Noteholders should read "*Plan of Distribution*" and "*Transfer Restrictions*". Prospective Noteholders should be aware that they may be required to bear the financial risks of their investment in the Notes for an indefinite period of time. Prospective Noteholders are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Notwithstanding anything herein to the contrary, potential purchasers may disclose to any and all persons, without limitation of any kind, the U.S. federal or state income tax treatment and tax structure of the Offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. However, any information relating to the U.S. federal income tax treatment or tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws. For this purpose, "tax

structure” means any facts relevant to the U.S. federal or state income tax treatment of the Offering but does not include information relating to the identity of the issuer of the securities, the issuer of any assets underlying the securities, or any of their respective affiliates that are offering the securities.

## MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## UK PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently

no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## AVAILABLE INFORMATION

The Company has agreed that, so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of any such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

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## FORWARD-LOOKING STATEMENTS

This Offering Circular (including the information incorporated by reference into this Offering Circular) contains statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature. All statements other than statements of historical fact are forward looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Group's operations; and (iii) the effects of global economic conditions on the Group's business.

Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of the Group to differ materially from the expectations of the Group include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulations, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities, interest rate and currency fluctuations, the Group's ability to integrate new businesses and recover its reserves or develop new reserves and changes in business strategy or development plans and other risks, including those described in "*Risk Factors*". Such forward looking statements should therefore be construed in light of such factors.

Neither the Company nor any of its associates or Directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. These forward-looking statements speak only as at the date of this document.

Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in the section headed "*Risk Factors*". To the extent required by the Disclosure and Transparency Rules or applicable law, the Company will update or revise the information in this document. Otherwise, the Company expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the expectations of the Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the preceding financial periods.

## ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a company incorporated in Delaware, United States. The Company is a holding company organised as a public limited company incorporated in Jersey with business operations conducted through various subsidiaries. The other Guarantors are companies incorporated in Switzerland. The assets of the Issuer and the Guarantors are located in various jurisdictions and substantially all of these assets are and will be located in jurisdictions outside the United States.

The directors and key managers of the Issuer and the Guarantors are citizens of various countries, and most are not citizens of the United States. All or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors in the Notes to effect service of process in jurisdictions outside the United States against the Issuer, the Guarantors or their respective directors or to enforce in such jurisdictions the judgment of a court outside such jurisdictions. It may be difficult for investors in the Notes to enforce, in original actions or in actions for enforcement brought in jurisdictions located outside the United States, judgments of U.S. courts or civil liabilities predicated upon U.S. federal securities laws. Furthermore, it may be difficult for investors in the Notes to enforce judgments of this nature in many of jurisdictions in which the Group operates and in which its assets are situated and in the countries of which most of the directors and key managers of the Issuer and the Guarantors are citizens.

## PRESENTATION OF INFORMATION AND INCORPORATION BY REFERENCE

### Presentation of financial information

Unless otherwise specified, all financial information contained in this Offering Circular is historical and based upon the consolidated financial statements of Glencore plc, which together with its subsidiaries is referred to herein as the "Group".

### Information incorporated by reference

The following documents are incorporated by reference into this Offering Circular:

- Audited consolidated financial statements, including the notes thereto, of the Group as at and for the year ended 31 December 2020 (which contains 2019 comparatives, including the 2019 restated consolidated statement of financial position and the restated 2018 consolidated statement of financial position), prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union, and International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board (together, "IFRS") and audited by Deloitte LLP, an independent auditor, together with the audit report in respect thereof (the "2020 Financial Statements"), which appear on pages 118 to 217 of the Group's 2020 Annual Report.

- Audited consolidated financial statements, including the notes thereto, of the Group as at and for the year ended 31 December 2019 (which includes restated 2018 consolidated statement of income), prepared in accordance with IFRS and audited by Deloitte LLP, an independent auditor, together with the audit report in respect thereof (the "2019 Financial Statements" and, together with the 2020 Financial Statements, the "Financial Statements"), which appear on pages 126 to 226 of the Group's 2019 Annual Report.

- The Group Production Report for the 12 months ended 31 December 2020.

- The Group Resources and Reserves as at 31 December 2020.

All of these documents may be accessed from http://www.glencore.com. The other content of the Company's website does not form part of this Offering Circular.

The information incorporated by reference is an important part of this Offering Circular.

### Historical financial information

Unless otherwise indicated, financial information presented in this Offering Circular relating to the Group as at and for the year ended 31 December 2020, as at and for the year 31 December 2019 and as at 31 December 2018 has been extracted without material adjustment from the 2020 Financial Statements. The other historical financial information presented in this Offering Circular relating to the Group for the year ended 31 December 2018 has been extracted without material adjustment from the 2019 Financial Statements (which includes the 2018 restated statement of income).

### Changes in segmental reporting

In 2019, key members of the Group's metals and minerals, energy products and agricultural products divisions retired and a new position with oversight and responsibility for all of Glencore's industrial assets (Head of Industrial Assets) was created. Internal reporting lines and organisational structures were amended such that Glencore's industrial activities report to the Head of Industrial Assets and all of its marketing activities report to the Head of Marketing (being the Group's CEO). The change in oversight and responsibility for the two differing parts of the Group's business (marketing and industrial) and associated remuneration has resulted in a change in the 'chief operating decision makers' reporting and accountability structures and, with it, the Group's

reportable segments. Aligning with the new executive structure and respective operational oversight and responsibility, the new reportable segments are industrial activities and marketing activities.

Following the change in reporting structure, each of the industrial activities and marketing activities business segments covers the Group's main commodity divisions: metals and minerals and energy products, with the Group's marketing activities underpinned by ownership interests in controlled and non-controlled industrial assets. The Group's activities related to agricultural products are operated through Viterra Ltd (formerly Glencore Agri) ("Viterra"), a joint venture in which the Group has a 49.9 per cent. ownership interest, and are now reported through the marketing activities business segment within "corporate and other" activities.

**Adoption of new and revised standards**

Financial information for the period ended 31 December 2020 reflects the adoption of the following new and revised accounting pronouncements, as discussed in the notes to the 2020 Financial Statements:

- Amendments to IFRS 3 – Definition of business;
- Amendments to IAS 1 and IAS 8 – Definition of material.

See note 1 to the 2020 Financial Statements for details related to the adoption of these new and revised pronouncements.

**Restatement of consolidated statement of financial position as at 31 December 2019 and 2018 included as comparatives in the 2020 Financial Statements**

Certain balances relating to financial derivatives in the Group's consolidated statement of financial position as at 31 December 2019 and 2018 have been reclassified to reflect their appropriate classification as either current or non-current, in accordance with contractual maturities. As a result, in 2019, U.S.$428 million (2018: U.S.$252 million) was reclassified from other financial assets to non-current other financial assets and U.S.$850 million (2018: U.S.$1,091 million) was reclassified from other financial liabilities to non-current other financial liabilities as at 31 December 2019 and 31 December 2018, respectively.

Furthermore, provisions at 31 December 2019 were restated by U.S.$530 million to reflect reclassification of uncertain tax provisions to current (U.S.$410 million) and deferred tax liabilities (U.S.$120 million).

**Restatement of results for the year ended 31 December 2018 included as comparatives in the 2019 Financial Statements**

The Group's consolidated statement of income for the year ended 31 December 2018 has been restated for the IFRIC agenda decision on the Physical Settlement of Contracts to Buy or Sell a Non-Financial Item. Upon adoption of this change, the 2018 revenue and cost of goods sold balances increased by an equal and opposite amount of U.S.$770 million, resulting in no impact on net income in the period.

**Non-IFRS measures**

Certain of the Group's results are presented on an "adjusted" basis, using alternative performance measures ("APMs") which are not defined or specified under the requirements of IFRS, but are derived from the financial statements, prepared in accordance with IFRS, reflecting how the Group's management assess the performance of the Group. The APMs are used to improve the comparability of information between reporting periods and segments and to aid in the understanding of the activities taking place across the Group by adjusting for significant items, aggregating or disaggregating certain IFRS measures (notably in the case of relevant material associates and joint ventures accounted for on an equity basis under IFRS). APMs are also used to approximate the underlying operating cash flow generation of the operations. Significant items are items of income and expense which, due to their variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of the Group's results.

In November 2017, the Group completed the acquisition of additional shares in Volcan Compania Minera S.A.A ("Volcan"), thereby increasing its total economic interest from 7.7 per cent. to 23.3 per cent. (compared to its 63.0 per cent. voting interest). This voting interest and certain governance provisions bring Volcan within the scope of consolidation, notwithstanding the 23.3 per cent. economic interest. As the Group holds the majority of the voting shares, providing it the ability to appoint a controlling number of directors to the board, the Group is required to account for Volcan using the full consolidation method in accordance with IFRS 10. However, for internal reporting and analysis, management evaluates the performance of Volcan under the equity method, due to the relatively low economic interest held by the Group. The impact is that the Group reflects 23.3 per cent. of Volcan's net income in the Group's Adjusted EBIT/EBITDA (as defined below), rather than Volcan's consolidated Adjusted EBIT/EBITDA, the difference between such being Volcan's interest, tax, depreciation and amortisation and the share of earnings attributable to non-controlling interests. Volcan's results are excluded from all other adjusted performance measures including production data.

The Viterra joint venture is a stand-alone group with a fully independent capital structure, governance and credit profile, supporting a global business, across many geographies, products and activities. Glencore's management evaluates this investment's financial performance on a net return basis, as opposed to an Adjusted EBITDA basis and thus, the financial results of Viterra are presented on a basis consistent with its underlying IFRS treatment (equity accounting).

APMs used by the Group may not be comparable with similarly titled measures and disclosures by other companies. APMs have limitations as an analytical tool, and a user of the financial statements should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations; and they may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of its future results.

Listed below are the definitions of the various APMs used by the Group.

***Adjusted EBIT***

Adjusted EBIT is the net result of segmental revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and joint ventures (except as set forth below), and dividend income. In addition, Adjusted EBIT includes the attributable share of Adjusted EBIT of the Antamina and Cerrejón associates (34 per cent. and 33 per cent. interests, respectively,) and the Collahuasi joint venture (44 per cent. interest), which are accounted for under the equity method of accounting under IFRS but are accounted for internally by means of proportionate consolidation, after excluding significant items.

Although Volcan is fully consolidated for IFRS purposes, in calculating Adjusted EBIT the Group eliminates Volcan's Adjusted EBIT and instead includes only the Group's proportionate stake (23.3 per cent.) of Volcan's post-acquisition net income (excluding significant items) as if Volcan was consolidated using the equity method of accounting.

Although Adjusted EBIT is not typically a measure of operating income, operating performance or liquidity under IFRS, it is presented in this Offering Circular because the Group believes it is used by some investors to determine a company's ability to service indebtedness and fund ongoing capital expenditure and dividends. Adjusted EBIT should not, however, be considered in isolation or as a substitute for income from operations as determined in accordance with IFRS, or for cash flows from operating activities as determined in accordance with IFRS, or as an indicator of operating performance.

***Adjusted EBITDA***

Adjusted EBITDA consists of Adjusted EBIT (as defined above) plus depreciation and amortisation, including depreciation and amortisation relating to the Group's share of certain associates' and joint ventures' depreciation and amortisation. Although Adjusted EBITDA is not typically a measure of operating income, operating

performance or liquidity under IFRS, it is presented in this Offering Circular as the Group believes that it is used by some investors to determine a company's ability to service indebtedness and fund ongoing capital expenditure and dividends.

Adjusted EBITDA has limitations as an analytical tool, and an investor should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations. Some of the limitations of Adjusted EBITDA are that:

- it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group's working capital needs (as applicable);
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments in respect of any borrowings;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the Group's industry may calculate these measures differently than the Group, limiting their usefulness as a comparative measure.

Adjusted EBIT and Adjusted EBITDA may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of its future results.

The following table reconciles the key line items on the face of the consolidated statement of income/(loss) that comprise Adjusted EBIT and reconciles Adjusted EBIT to the income/(loss) for the years indicated:

| | **Year ended 31 December** | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Revenue | 220,524 | 215,111 | 142,338 |
| Cost of goods sold | (211,468) | (210,434) | (138,640) |
| Selling and administrative expenses | (1,381) | (1,391) | (1,681) |
| Share of income from associates and joint ventures | 1,043 | 114 | 444 |
| Dividend income | 21 | 49 | 32 |
| Significant items[(1)] | (197) | (176) | 852 |
| Net finance and income tax expense impact of presenting certain associates and joint ventures on a proportionate basis | 529 | 772 | 1,025 |
| Net finance, income tax and non-controlling interests impact of presenting Volcan under equity method accounting | 72 | 106 | 46 |
| Adjusted EBIT | 9,143 | 4,151 | 4,416 |
| Depreciation and amortisation | 6,325 | 7,161 | 6,671 |

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Proportionate share of certain associates and joint ventures depreciation and amortisation | 726 | 745 | 683 |
| Less: depreciation impact of presenting Volcan under equity method accounting | (427) | (456) | (210) |
| Adjusted EBITDA | 15,767 | 11,601 | 11,560 |
| Deduct: | | | |
| Depreciation and amortisation | (6,325) | (7,161) | (6,671) |
| Impact of presenting certain associates and joint ventures on a proportionate consolidation basis | (1,255) | (1,517) | (1,708) |
| Impact of presenting Volcan under equity method accounting. | 355 | 350 | 164 |
| Significant items excluded above | 197 | 176 | (852) |
| Interest expense – net | (1,514) | (1,713) | (1,453) |
| Gains/(losses) on disposals and investments | (139) | (43) | (36) |
| Other income/(expense) – net | (764) | (173) | (173) |
| Impairments of non-current assets | (1,452) | (2,322) | (5,715) |
| Impairments of non-current financial assets | (191) | (86) | (232) |
| Income tax (credit)/expense | (2,063) | (618) | 1,170 |
| Income/(loss) for the period | 2,616 | (1,506) | (3,946) |

Note:

(1) Significant items excluded above include:

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Share of associates' significant items | (40) | (292) | (92) |
| Unrealised intergroup (profit)/loss elimination | 237 | 468 | (760) |
| | 197 | 176 | (852) |

***Net funding and net debt***

The Group defines net funding as total current and non-current borrowings less cash and cash equivalents and marketable securities and net debt as net funding less readily marketable inventory. Readily marketable inventory comprises the core inventories that underpin and facilitate the Group's marketing activities, and represents inventories, that in management's assessment, are readily convertible into cash in the short term due to their liquid nature, widely available markets and the fact that any associated price risk is primarily covered

either by a forward physical sale or hedge transaction. This includes, for example, LME approved inventory (such as copper or aluminium) held at LME warehouses. Given the liquid nature of these inventories and associated funding, which represents a significant share of current assets and liabilities, the Group believes it is appropriate to consider them as cash equivalents. Net funding and net debt exclude net funding related to Volcan and include net funding related to the Antamina and Cerrejón associates and Collahuasi joint venture. For a reconciliation of net funding and net debt to total borrowings, see "*Description of Indebtedness—Indebtedness and capital resources*".

### Rounding

Percentages and certain amounts included in this Offering Circular have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

### Currencies

In this Offering Circular: references to "pounds sterling", "£", "GBP", "pence" or "p" are to the lawful currency of the United Kingdom; references to "U.S. dollars", "dollars", "U.S.$", "USD" or "cents" are to the lawful currency of the United States; references to "euros", "€" or "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; references to "Swiss francs" or "CHF" are to the lawful currency of Switzerland; references to "South African rand" or "ZAR" are to the lawful currency of South Africa; references to "Australian dollars", "A$" or "AUD" are to the lawful currency of Australia; references to "Canadian dollars", "C$" or "CAD" are to the lawful currency of Canada; references to "Colombian pesos" or "COP" are to the lawful currency of Colombia; references to "Kazakhstani tenge" or "KZT" are to the lawful currency of Kazakhstan; and references to "Japanese yen" or "JPY" are to the lawful currency of Japan.

The Group prepares its financial statements in U.S. dollars. The basis of translation of foreign currency for the purpose of inclusion of the financial information is set out in the notes to the Financial Statements of the Group. Information derived from the Financial Statements has been translated on the same basis.

Unless otherwise indicated, the financial information relating to the Group contained in this document has been expressed in U.S. dollars and indicative exchange rates comprising the average rate used for income statement information and the period end rate used for balance sheet information are shown below:

| | **Year ended 31 December** | | | | | |
|---|---|---|---|---|---|---|
| | **2018** | | **2019** | | **2020** | |
| | **Average rate** | **Period end rate** | **Average rate** | **Period end rate** | **Average rate** | **Period end rate** |
| AUD:USD | 0.75 | 0.70 | 0.69 | 0.70 | 0.69 | 0.77 |
| USD:CAD | 1.30 | 1.36 | 1.33 | 1.30 | 1.34 | 1.27 |
| USD:CHF | 0.98 | 0.98 | 0.99 | 0.97 | 0.94 | 0.89 |
| EUR:USD | 1.18 | 1.15 | 1.12 | 1.12 | 1.14 | 1.22 |
| GBP:USD | 1.33 | 1.28 | 1.28 | 1.33 | 1.28 | 1.37 |
| USD:KZT | 345 | 381 | 383 | 383 | 414 | 421 |
| USD:ZAR | 13.25 | 14.35 | 14.45 | 14.00 | 16.46 | 14.69 |

### Presentation of ore reserves and mineral resources information

Ore reserves and mineral resources information contained in and incorporated by reference into this Offering Circular has been compiled in accordance with internationally recognised mineral standards (including the

JORC Code, SAMREC, the CIM Definition Standards and the CIM Estimation Guidelines) based on information compiled by Competent Persons (as defined by the JORC Code, SAMREC and the CIM Definition Standards, as applicable).

Mineral resources are based on mineral occurrences quantified on the basis of geological data and an assumed cut-off grade, and are divided into "measured", "indicated" and "inferred" categories reflecting decreasing confidence in geological and/or grade continuity. No allowances are included for dilution and losses during mining, but the reporting of resource estimates is explicitly on the basis that there are reasonable prospects for eventual economic exploitation. Measured and indicated resources may therefore be viewed as the estimation stage prior to the application of more stringent economic criteria for the reserve definition, such as a rigorously defined cut-off grade and mine design outlines, along with allowances for dilution and losses during mining. It is common practice, for example, for companies to include in the resources category material with a reasonable expectation of being converted to reserves, but for which either the detailed mine planning work has not been undertaken or for which an improvement in economic conditions or exploitation efficiencies would be required to enable the company to exploit the resources economically. An inferred resource is that part of a mineral resource is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. This categorisation is inferred from geological evidence and assumed but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. Mineral reserves are designated as "proved" and "probable" and are derived from the corresponding measured and indicated resource estimates by including allowances for dilution and losses during mining. It is an explicitly stated further requirement that other modifying economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors must also be taken into account. The measured and indicated mineral resources can be reported as either being inclusive of those mineral resources modified to produce the ore reserves or additional to the ore reserves. Unless otherwise indicated in this Offering Circular, in relation to the Group's assets, measured and indicated resources are stated inclusive of reserves but with no allowance for ore loss or dilution, and inferred resources are stated on an exclusive basis.

**Oil and gas reserves and resources information**

Oil and gas reserves and resources information contained in and incorporated by reference into this Offering Circular relating to the Group's oil and gas assets has been compiled in accordance with the definitions and guidelines set forth in the 2007/SPE/AAPG/WPC/SPEE Petroleum Resource Management System (the "PRMS"), which is approved by the Society of Petroleum Engineers as the standard for classification and reporting. As set out in the PRMS, "reserves" are "those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Reserves must further satisfy four criteria: they must be (i) discovered; (ii) recoverable; (iii) commercial; and (iv) remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with a level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status. "Contingent resources" are defined by the PRMS as "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies". Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and /or characterised by their economic status. "Prospective resources" are defined by the PRMS as "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects". Prospective resources have both an associated chance of discovery and a chance

of development. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

### Metric/imperial conversion table

The imperial equivalents of the metric units of measurement used in this Offering Circular are as follows:

| Metric unit | Metric symbol | Imperial equivalent | Imperial symbol |
|---|---|---|---|
| Tonne | t | 1.102311 tons | ton |
| Kilogram | kg | 2.20462 pounds | lbs |
| Gram | g | 0.032151 troy ounces | oz |
| Metre | m | 3.2808 feet | ft |
| Cubic metre | $m^3$ | 35.315 cubic feet | $ft^3$ |
| Kilometre | km | 0.6214 miles | — |
| Hectare | ha | 2.4711 acres | — |

### No profit forecast

No statement in this Offering Circular is intended as a profit forecast or a profit estimate, and no statement in this Offering Circular should be interpreted to mean that earnings per ordinary share for the current or future financial years would necessarily match or exceed the historical published earnings per ordinary share.

### Sources of information

Unless the source is otherwise stated and except as described above in relation to other third-party information:

- the industry and market data in this Offering Circular have been extracted without material amendment from the management records of the Group;
- the non-financial operating data included in this Offering Circular have been extracted without material amendment from the Group's 2020, 2019 and 2018 Annual Reports; and
- the historical financial information included in this Offering Circular in respect of the Group as at and for the year ended 31 December 2020, as at and for the year ended 31 December 2019 and as at 31 December 2018 has been extracted without material adjustment from the 2020 Financial Statements. The other historical financial information included in this Offering Circular in respect of the Group for the year ended 31 December 2018 has been extracted without material adjustment from the 2019 Financial Statements (which includes the 2018 restated statement of income).

### Definitions

Certain terms used in this Offering Circular, including capitalised terms, are defined and explained in "Definitions and Glossary of Technical Terms".

## SUMMARY

*Any decision to purchase the Notes should be based on consideration by the prospective Noteholder of this Offering Circular, and the information incorporated by reference into this Offering Circular, as a whole.*

### Overview of the Group

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third-party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprises around 150 mining and metallurgical sites and oil production assets. The Group's growth prospects are underpinned by a significant industrial base, which, in turn, enhances marketing opportunities. The Group produces and markets a diverse range of metals and minerals, including copper, cobalt, zinc, nickel and ferroalloys, and also markets aluminium/alumina and iron ore from third parties. With regard to energy products, the Group is a large producer and marketer of coal, with mines in Australia, South Africa and Colombia, while its oil business is one of the leading marketers of crude oil, refined products and natural gas.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality products on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value-added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

In 2019, the Group reorganised its business segments to reflect changes in its reporting and accountability structures following the creation of a new position, the Head of Industrial Assets, with oversight and responsibility for all of the Group's industrial assets. The Group now operates two business segments: industrial activities (reporting to the Head of Industrial Assets) and marketing activities (reporting to the Head of Marketing, being the Group's CEO). Prior to 2019, the Group had been organised into three business segments around its commodities: metals and minerals, energy products and agricultural products.

Historically, the Group has grown both organically and through acquisitions. The Group continues to evaluate opportunities on an ongoing basis in relation to its business, including, among others, mergers, acquisitions, disposals, joint ventures and off-take arrangements.

The Group's consolidated revenue for the years ended 31 December 2020, 2019 and 2018 was U.S.$142,338 million, U.S.$215,111 million and U.S.$220,524 million, respectively. Its loss for the year was U.S.$3,946 million and U.S.$1,506 million for the years ended 31 December 2020 and 2019, respectively, and its income for the year was U.S.$2,616 million for the year ended 31 December 2018. The Group's total assets were U.S.$118,000 million, U.S.$124,076 million and U.S.$128,672 million as at 31 December 2020, 2019 and 2018, respectively.

The Company's ordinary shares are traded on the London Stock Exchange and the Johannesburg Stock Exchange. The Company is a member of the FTSE 100.

The Group's industrial and marketing investment activities are supported by a global network of offices located in over 35 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. The Group's main offices include Baar (Switzerland), New York, London, Beijing, Moscow, Toronto, Johannesburg, Sydney and Singapore. This network provides the Group with significant worldwide investment origination and sourcing and distribution capabilities.

The Group's two business segments focus on the following activities, for both metals and minerals and energy products:

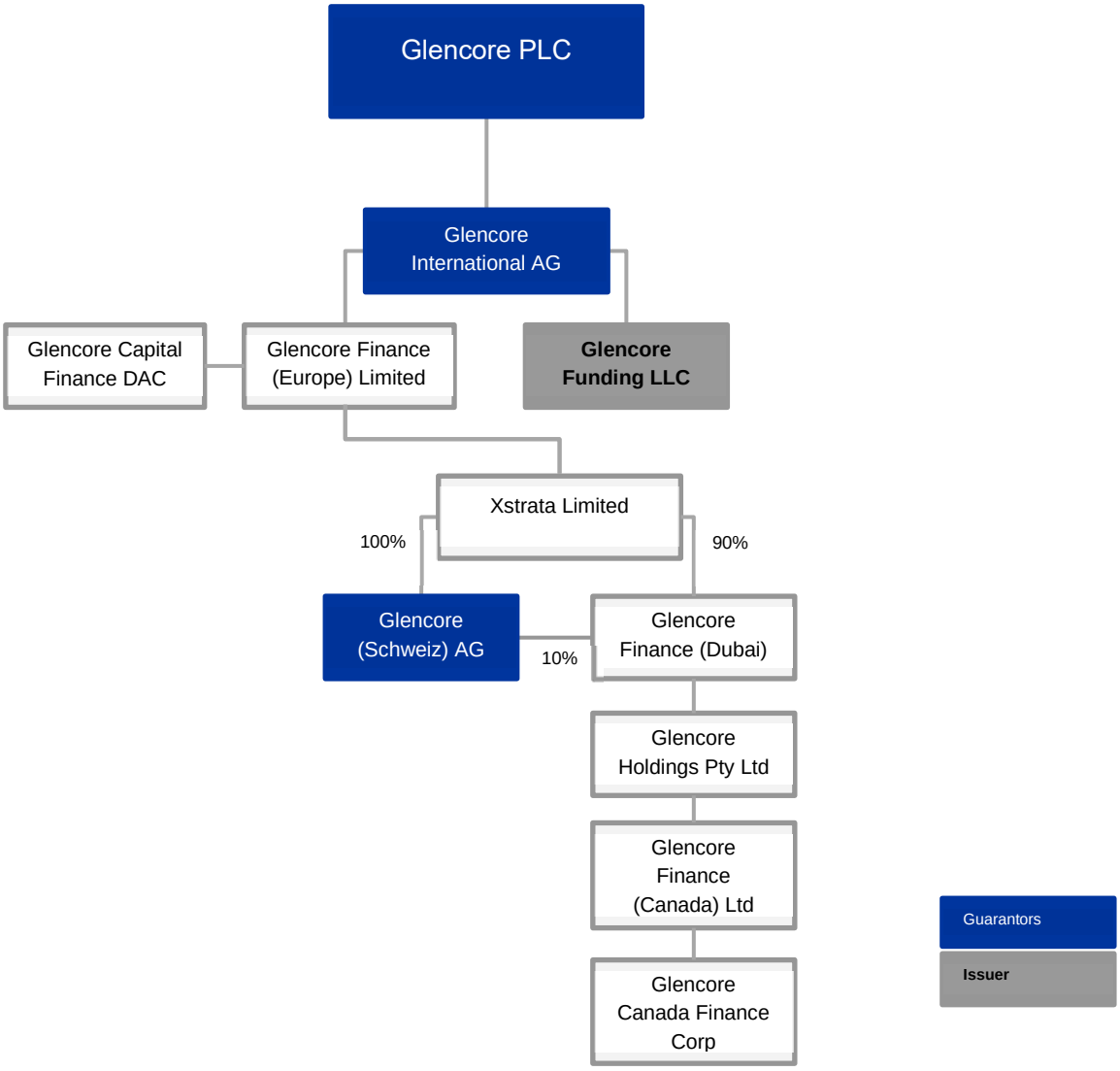
- The industrial activities business segment focuses on controlled and non-controlled industrial assets, overall business diversification and investment opportunities, as well as providing a source of physical commodities for the Group's marketing activities business segment.
- The marketing activities business segment focuses on sourcing a diversified range of physical commodities from third-party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value-added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end-users, many of whom are long-term customers.

Following the change in reporting structure, each of the industrial activities and marketing activities business segments covers the Group's main commodity divisions: metals and minerals and energy products. The metals and minerals division produces and markets a diverse range of metals and minerals, including copper, cobalt, zinc, nickel and ferroalloys, and also markets aluminium/alumina and iron ore from third parties. The Group's activities are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations. The Group's energy products are primarily coal and oil, and the Group has extensive ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities. The Group's activities related to agricultural products are operated through Viterra (formerly Glencore Agri), a joint venture in which the Group has a 49.9 per cent. ownership interest, and which is reported through the marketing activities business segment within "corporate and other" activities.

The Group benefits from enhanced scale and diversity. It is a major producer and marketer of over 90 commodities. Specifically, the Group is:

- a global leader in export thermal coal, ferrochrome and integrated zinc production;
- a leading producer of copper and cobalt; and
- a leading producer of nickel.

The condensed structure chart below shows the position of the Issuer and Guarantors within the Group.




## Competitive strengths

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically integrated producers, processors and marketers of natural resources. The Group's key competitive strengths include:

- wide diversification by commodity, geography and activity;
- being a major supplier of energy and mobility transition materials;
- a portfolio containing well-capitalised, low-cost, high-return assets;
- a unique marketing business that extracts value across the entire supply chain; and
- a conviction to create value.

## Strategy

The Group's strategy is to maintain and build upon its position as one of the world's largest diversified natural resources companies. The Group's key strategic priorities are:

- responsible production and supply;
- responsible portfolio management; and
- responsible product use.

## History

Glencore's business commenced in 1974 (previously known as Marc Rich + Co AG) and initially focused on the physical marketing of ferrous and non-ferrous metals and minerals and crude oil, and shortly thereafter expanded into oil products, later adding coal.

Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27 per cent. of the Mt. Holly aluminium smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7 per cent. interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout. The Company's shares were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the Hong Kong Stock Exchange in May 2011. On 2 May 2013, Glencore completed the acquisition of Xstrata.

The Company's shares were admitted to trading on the Johannesburg Stock Exchange in November 2013. Due to low trading volumes, the Company chose to delist its shares from the Hong Kong Stock Exchange in January 2018.

## Summary financial information on the Group

The summary financial data presented below as at and for the years ended 31 December 2020 and 2019 and as at 31 December 2018 has been extracted without material adjustment from the 2020 Financial Statements. The other summary financial data presented below for the year ended 31 December 2018 has been extracted without material adjustment from the 2019 Financial Statements (which includes the 2018 restated statement of income).

The following table sets out the Group's consolidated statement of income/(loss) for the years ended 31 December 2018, 2019 and 2020:

| | **Year ended 31 December** | | |
|---|---|---|---|
| | **2018[(1)]** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Revenue | 220,524 | 215,111 | 142,338 |
| Cost of goods sold | (211,468) | (210,434) | (138,640) |
| Selling and administrative expenses | (1,381) | (1,391) | (1,681) |
| Share of income from associates and joint ventures | 1,043 | 114 | 444 |
| Gains/(losses) on disposals and investments | (139) | (43) | (36) |

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018[(1)]** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| Other income | — | 372 | 438 |
| Other expense | (764) | (545) | (611) |
| Impairments of non-current assets | (1,452) | (2,322) | (5,715) |
| Impairments of non-current financial assets | (191) | (86) | (232) |
| Dividend income | 21 | 49 | 32 |
| Interest income | 228 | 227 | 120 |
| Interest expense | (1,742) | (1,940) | (1,573) |
| **Income/(loss) before income taxes** | 4,679 | (888) | (5,116) |
| Income tax (expense)/credit | (2,063) | (618) | 1,170 |
| **Income/(loss) for the period** | 2,616 | (1,506) | (3,946) |
| **Attributable to**: | | | |
| Non-controlling interests | (792) | (1,102) | (2,043) |
| Equity holders | 3,408 | (404) | (1,903) |

Note:

(1) Restated to present mark-to-market movements on physical forward sales contracts within revenue.

The following table summarises the Group's consolidated statement of cash flows for the years ended 31 December 2018, 2019 and 2020:

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| Net cash generated/(used) by operating activities | 11,559 | 8,729 | 2,664 |
| Net cash used by investing activities | (7,293) | (3,716) | (2,711) |
| Net cash (used)/generated by financing activities | (4,334) | (5,147) | (320) |
| Decrease in cash and cash equivalents | (68) | (134) | (367) |

The following table sets out the Group's consolidated statement of financial position as at 31 December 2018, 2019 and 2020:

| | As at 31 December | | |
|---|---|---|---|
| | **2018[(1)]** | **2019[(1)]** | **2020** |
| | | *(in U.S.$ millions)* | |
| Non-current assets | 84,656 | 82,666 | 74,788 |
| Current assets | 44,016 | 41,124 | 42,166 |
| Assets held for sale | — | 286 | 1,046 |
| **Total assets** | **128,672** | **124,076** | **118,000** |
| **Total equity** | **45,383** | **39,236** | **34,402** |
| Non-current liabilities | 44,008 | 45,832 | 44,157 |
| Current liabilities | 39,281 | 38,852 | 39,256 |
| Liabilities held for sale | — | 156 | 185 |
| **Total equity and liabilities** | **128,672** | **124,076** | **118,000** |

Note:

(1) Certain balances relating to financial derivatives in the Group's consolidated statement of financial position as at 31 December 2019 and as at 31 December 2018 have been reclassified to reflect their appropriate classification as either current or non-current, in accordance with contractual maturities. As a result, U.S.$428 million (2018: U.S.$252 million) was reclassified from other financial assets to non-current other financial assets and U.S.$850 million (2018: U.S.$1,091 million) was reclassified from other financial liabilities to non-current other financial liabilities as at 31 December 2019 and 31 December 2018 respectively. Furthermore, provisions at 31 December 2019 were restated by U.S.$530 million to reflect reclassification of uncertain tax provisions to current (U.S.$410 million) and deferred tax liabilities (U.S.$120 million). Hence the overall reclassification from current assets to non-current assets of U.S.$428 million (2018: U.S.$252 million) and from current liabilities to non-current liabilities of U.S.$440 million (2018: U.S.$1,091 million).

## The Offering

For a more complete description of the terms of the Notes, see "*Description of the Notes and Guarantees*".

| | |
|---|---|
| **Issuer** | Glencore Funding LLC, a company incorporated as a limited liability company in Delaware. |
| **Guarantors** | Glencore plc, Glencore International AG, Glencore (Schweiz) AG. |
| **Notes** | U.S.$600,000,000 1.625 per cent. Notes due 2026.<br>U.S.$600,000,000 2.850 per cent. Notes due 2031.<br>U.S.$500,000,000 3.875 per cent. Notes due 2051. |
| **Ratings** | As of the date of this Offering Circular, the expected ratings of the Notes are BBB+ by S&P and Baa1 by Moody's. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revisions, suspension or withdrawal at any time by the relevant rating organisation. |
| **Issue Date** | 27 April 2021. |
| **Issue Price** | 2026 Notes: 99.895 per cent.<br>2031 Notes: 99.888 per cent.<br>2051 Notes: 99.965 per cent. |
| **Guarantees** | Upon issue, the obligations of the Issuer under the Notes will, subject to the limitations described in "Risk Factors" and "Description of the Notes and Guarantees", be unconditionally and irrevocably guaranteed on a senior, unsecured and joint and several basis by the Guarantors pursuant to the Guarantees. |
| **Ranking** | The Notes will rank as direct, unsecured and unsubordinated indebtedness of the Issuer. The Guarantees are unconditional and the obligations of the Guarantors under the Guarantees will rank equally with all present and future direct, unsecured and unsubordinated obligations (except for certain limited exceptions and those obligations preferred by statute or operation of law) of the Guarantors. |
| **Maturity Dates** | Unless previously purchased or redeemed in accordance with the Indenture, the principal amount of the Notes will mature and become due and payable as follows, with accrued and unpaid interest at such date.<br>2026 Notes: 27 April 2026.<br>2031 Notes: 27 April 2031.<br>2051 Notes: 27 April 2051. |
| **Interest Rate** | 2026 Notes: 1.625 per cent.<br>2031 Notes: 2.850 per cent.<br>2051 Notes: 3.875 per cent. |

| | |
|---|---|
| **Interest Payment Dates** ..... | 2026 Notes: Semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021.<br><br>2031 Notes: Semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021.<br><br>2051 Notes: Semi-annually in arrear on 27 April and 27 October of each year, commencing on 27 October 2021. |
| **Form and denomination**..... | The Notes will be in registered form in principal amounts of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.<br><br>The Notes will be issued in the form of Global Notes in registered form and may be exchanged into Definitive Notes only under the circumstances described in the Global Notes.<br><br>The Notes sold to QIBs in the United States in reliance on Rule 144A will be represented by the Rule 144A Global Notes. The Rule 144A Global Notes will be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee for DTC.<br><br>The Notes sold outside the United States to persons other than U.S. persons in reliance on Regulation S will be represented by the Regulation S Global Notes. The Regulation S Global Notes will also be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee for DTC, for credit to the respective accounts of beneficial owners of such Notes (or to such other accounts as they may direct) at DTC, Euroclear and Clearstream, Luxembourg.<br><br>Investors will hold beneficial interests in the Notes through DTC and its participants, including Euroclear and Clearstream, Luxembourg. See "*Book-Entry, Delivery and Form*". |
| **Further issues**..... | The Issuer may from time to time without the consent of the Noteholders issue further securities having identical terms and conditions as any series of Notes so that any further issue is consolidated and forms a single series of securities with such Notes. |
| **Redemption at the option of the Issuer** ..... | The Notes are redeemable in whole or in part at any time prior to the applicable Par Call Date, as defined herein, at the option of the Issuer or the Guarantors at a redemption price equal to the make-whole amounts described in "*Description of the Notes and Guarantees*".<br><br>The Notes are also redeemable in whole or in part at any time on or after the applicable Par Call Date at the option of the Issuer at a redemption price equal to 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the date of redemption. |

| | | |
|---|---|---|
| **Redemption for tax reasons** ..... | The Issuer may redeem all but not part of the Notes outstanding at their principal amount with accrued and unpaid interest to the date of redemption if the Issuer or a Guarantor is required to pay Additional Amounts upon the occurrence of certain changes in taxation in the jurisdiction of the Issuer or the jurisdiction of such Guarantor. | |
| **Repurchase on Change of Control** ..... | Unless the Notes are otherwise subject to redemption as described under "*Description of the Notes and Guarantees—Optional redemption*" and "*Description of the Notes and Guarantees—Redemption for tax reasons*" and the Issuer has elected to exercise its right to redeem the Notes, if a Change of Control Repurchase Event occurs, the Issuer will make an offer to each Noteholder to repurchase the Notes as described under "*Description of the Notes and Guarantees—Repurchase on Change of Control Repurchase Event*". | |
| **Taxation** ..... | All payments in respect of Notes by the Issuer or the relevant Guarantor will be made without withholding or deduction for, or on account of, tax of the jurisdiction of tax residence and the jurisdiction of incorporation of the Issuer or relevant Guarantor, unless required by law. In that event, the Issuer or relevant Guarantor will, subject to certain exceptions, pay such additional amounts as will result, after the withholding or deduction of such tax, in the payment of the amounts which would have been payable had no such withholding or deduction been required, as described in "*Description of the Notes and Guarantees*". Also see "*Taxation*". | |
| **Transfer restrictions** ..... | The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with all applicable laws. The Notes are subject to certain restrictions on transfer. See "*Transfer Restrictions*". | |
| **Use of proceeds** ..... | The Group will use the net proceeds of the Offering for general corporate purposes. See "*Use of Proceeds*". | |
| **Governing law** ..... | The Notes and the Indenture governing the Notes will be governed by the laws of the State of New York. The Guarantee provided by the Company will be governed by English law. The Guarantees provided by GIAG and Glencore Schweiz will be governed by Swiss law. | |
| **Security Codes** ..... | | |
| **2026 Notes** ..... | *Rule 144A Global Note* | *Regulation S Global Note* |
| | CUSIP: 378272BD9 | CUSIP: U37786AE7 |
| | ISIN: US378272BD96 | ISIN: USU37786AE74 |
| **2031 Notes** ..... | *Rule 144A Global Note* | *Regulation S Global Note* |

| | | |
|---|---|---|
| | CUSIP: 378272BE7 | CUSIP: U37818BB3 |
| | ISIN: US378272BE79 | ISIN: USU37818BB37 |
| **2051 Notes** ..... | *Rule 144A Global Note* | *Regulation S Global Note* |
| | CUSIP: 378272BC1 | CUSIP: U37786AD9 |
| | ISIN: US378272BC14 | ISIN: USU37786AD91 |
| **Legal Entity Identifier (LEI)** ..... | *Issuer:* 213800STG1QDNBY87K49 | |

# RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Accordingly, investors and prospective investors should consider carefully the risks and uncertainties described below and all of the other information set out in this Offering Circular and incorporated by reference herein before making an investment decision. The Group's business, results of operations, financial condition and/or prospects could be materially and adversely affected by any of these risks. The market price of the Notes may decline due to any of these risks or other factors, and investors may lose all or part of their investment.*

*The risks described below are not the only ones which the Group faces. The risks described below are those that the Group currently believes may materially affect it and the Notes. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not currently known to the Group, or those that it currently deems to be immaterial, may become material and adversely affect the Group's business, results of operations, financial condition, prospects and/or the value of the Notes. This Offering Circular also contains estimates and projections that involve risks and uncertainties. The Group's results may differ significantly from those previously projected as a result of certain factors, including the risks which it faces, as described below and in other sections of this Offering Circular.*

*The information given is as of the date of this Offering Circular and, except as required by legal or regulatory obligation, including the Disclosure and Transparency Rules, will not be updated. Any forward-looking statements are made subject to the reservations specified in the section headed "Forward-Looking Statements".*

## External risks relating to the Group

***The Group is exposed to fluctuations in the expected volumes of supply and demand for commodities.***

The expected volumes of supply and demand for the commodities in which the Group is active vary over time, based on competitor supply policies, changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacity, global and regional weather conditions, natural disasters and diseases, all of which impact global markets and demand for commodities. Furthermore, changes in expected supply and demand conditions impact the expected future prices (and thus the price curve) of each commodity.

Fluctuations in the volume of each commodity produced or marketed by the Group could materially impact the business, results of operations and earnings of the Group. These fluctuations could result in a reduction in the income generated in respect of the volumes handled by the Group's marketing activities, or a reduction in the volume and/or margin in respect of commodities produced by the Group's industrial assets.

***The Group is exposed to fluctuations in commodity prices and to deterioration in economic and financial conditions.***

The revenue and earnings of substantial parts of the Group's industrial asset activities and, to a lesser extent, the Group's marketing activities are dependent upon prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply of and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. Fluctuations in the price of commodities produced or marketed by the Group could materially impact the Group's business, results of operations and earnings.

A significant downturn in the price of commodities generally results in a decline in the Group's profitability during such a period and could potentially result in a devaluation of inventories and impairments. Although the

impact of a downturn in commodity prices affects the Group's industrial and marketing activities differently, the negative impact on its industrial activities is generally greater, as the profitability of the industrial activities is more directly exposed to price risk due to its higher level of fixed costs, while the Group's marketing activities are ordinarily substantially hedged in respect of price risk and principally operate a service-like, margin-based model. The Group does not typically engage in meaningful hedging against declines in commodity prices related to industrial production and, as a result, volatility in commodity prices directly impacts its results of operations. If the Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could be impacted by volatility in commodity prices.

The significant fluctuations in commodity prices experienced over the last several years and the considerable downside risks with respect to the global economic outlook make fluctuations in commodity prices a particularly material risk for the Group. Significant falls in the prices of certain commodities (for example, copper, coal, zinc and cobalt) can have a material impact on the Group's financial performance and could lead to concerns by external stakeholders as to the strength of the Group's financial position. Any negative developments, particularly impacting China and fast-growing developing countries, could lead to reductions in demand for and, consequently, prices of the Group's commodities. In particular, the COVID-19 pandemic has led to substantial disruptions in global economic activity which has and may continue to reduce demand for the commodities supplied by the Group.

In addition, an actual or perceived decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the business, results of operations or earnings of the Group. For example, although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult to obtain, or may increase the cost of obtaining, financing for the Group's marketing activities and capital expenditures at the Group's industrial assets. Changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely affect the results of the Group's operations or financial condition.

***The COVID-19 pandemic has had a negative impact on worldwide economic activity and the Group's operations and will have an ongoing impact on the Group's business.***

The rapid, global spread of COVID-19 has adversely affected the global economy and has resulted in significant volatility in financial markets and the prices of and the demand for the commodities that the Group produces and trades. Government measures taken in response to the COVID-19 pandemic, including quarantine and shelter in place orders, as well as other indirect effects of the COVID-19 pandemic on global economic activity, resulted in some degree of global economic downturn and demand shocks for the Group's commodities, which initially led to significantly lower commodity prices. Some commodity prices recovered strongly during the second half of 2020, with the Group's consolidated Adjusted EBITDA being similar in 2020 and 2019. Notwithstanding price recovery, the less certain economic outlook triggered significant impairments to the carrying value of certain of the Group's assets and any further deterioration may trigger further such impairments.

Operationally, business continuity planning has been and remains challenging in many countries. The response to the pandemic has varied by jurisdiction, with authorities imposing different requirements, often changing as the crisis evolves. A significant proportion of the Group's marketing and corporate employees worked remotely during 2020, which increased the Group's exposure to cyber related risks. Almost all industrial operations were impacted by changed protocols or working practises, while many were required to fully suspend production for a period of time. While the Group engaged with relevant government authorities and advisors to ensure that the responses and measures implemented focused on the health of its workforce and communities and allowed its

operations to continue where reasonably practicable, the COVID-19 pandemic has materially impacted the Group's industrial activities.

Future spread of COVID-19 or its variants, including in areas where the Group's industrial assets are located, may result in greater risk of exposure to employees, and the Group may respond by curtailing, rescheduling or suspending operations, construction or development at these assets or be required to do so by the relevant authorities. For a more detailed description of the Group's measures taken thus far in response to the COVID-19 pandemic, please see "*Recent Developments – COVID-19 Pandemic*".

The Group's customers or suppliers may seek to release themselves from their contractual obligations by claiming that the ongoing pandemic, and government responses, constitute a force majeure event. Furthermore, the liquidity of the Group's customers may be impacted by the COVID-19 pandemic, potentially leading to increased credit risk if the economic downturn and government-imposed measures to curb the spread of the COVID-19 pandemic continue for an extended period of time.

The COVID-19 pandemic has also led to disruption and volatility in the global capital markets, which could increase the Group's cost of capital and adversely affect its ability to access the capital markets. The Group's ability to raise future financing for the funding of its operations or refinancing of existing indebtedness may be restricted, which could also have an adverse effect on its ability to react to changing economic and business conditions.

The impact of the COVID-19 pandemic on the Group's business going forward will depend on a range of factors which it is not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity and the nature and severity of measures adopted by governments, including restrictions on travel, mandates to avoid large gatherings, orders to self-quarantine or shelter in place and the effectiveness and timing of vaccine programmes. The COVID-19 pandemic has led to sharp reductions in global growth rates and the ultimate impact on the global economy remains uncertain. National governments' recovery policies may include higher corporate taxation rates and/or repealing of tax allowances. Accordingly, the COVID-19 pandemic may have significant negative impacts in the medium and long-term, including on the Group's business, financial condition and results of operations.

***The Group is exposed to fluctuations in currency exchange and interest rates.***

The vast majority of transactions undertaken by the Group's industrial and marketing activities are denominated in U.S. dollars. However, the Group is exposed to fluctuations in currency exchange rates through its industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located, including, among others, the Canadian dollar, Australian dollar, Euro, Kazakhstani tenge, Colombian peso and South African rand. The Group is also exposed to fluctuations in currency exchange rates through its global office network given that costs are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss franc and the pound sterling. The Group is also exposed to fluctuations in currency exchange rates through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

Foreign exchange rates have seen significant fluctuation in recent years. A depreciation in the value of the U.S. dollar against one or more of the currencies in which the Group incurs significant costs will, to the extent it has not been hedged, result in an increase in the cost of these operations in U.S. dollar terms and could adversely affect the Group's results of operations.

In respect of commodity purchase and sale transactions denominated in currencies other than U.S. dollars, the Group's policy is to hedge the specific future commitment through a forward exchange contract. From time to time, the Group may hedge a portion of its currency exposures and requirements in an attempt to limit any

adverse effect of exchange rate fluctuations on its results of operations, but there can be no assurance that such hedging will eliminate the potential material adverse effect of such fluctuations. In addition, to the extent that any currency exposures are unhedged or unmatched as a consequence of political risk, such exposure could adversely affect the Group's results of operations.

The reporting currency and the functional currency of the majority of the Group's operations is the U.S. dollar, as this is assessed to be the principal currency of the economic environment in which the Group operates. For financial reporting purposes, transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income/(loss). The exchange rates between relevant local currencies and the U.S. dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on Group members' individual and the Group's consolidated results of operations or financial condition.

The Group's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage its liquidity and capital requirements. The majority of the Group's borrowings, other than a portion of long-term, fixed-rate bonds, bear interest at floating rates. An increase in interest rates would therefore result in a relatively immediate increase in the cost of servicing the Group's indebtedness and could adversely affect its results of operations. Although borrowing costs are taken into account when setting marketing transaction terms, there is no assurance that increased financing costs can be passed on to customers and/or suppliers. The Group may elect in the future to enter into interest rate swaps to convert some or all of its floating-rate debt to fixed-rate debt or enter into fixed-rate to floating-rate swaps. There can be no assurance that the Group will not be materially adversely affected by interest rate changes in the future.

***The Group is exposed to significant geopolitical risk.***

The Group operates and owns assets in a large number of geographic regions and countries, some of which are categorised as developing, complex or have unstable political or social climates. As a result, the Group is exposed to a wide range of political, economic, regulatory, social and tax environments. These environments are subject to change in a manner that may be materially adverse for the Group, including changes to government policies and regulations governing industrial production, foreign investment, price controls, import and export controls, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalisation or expropriation of property, repatriation of income, royalties, the environment, labour and health and safety.

Volatile commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that the Group produces and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil or wheat) or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of windfall taxes which have been seen in several jurisdictions in which the Group has industrial assets) and currency restrictions imposed by the governments of countries in which the Group operates could all have a material adverse effect on the Group.

Following the global financial crisis, some governments faced increased debt and funding obligations and sought additional sources of revenue by increasing rates of taxation, royalties or resource rent taxes. In recent years, the Group has been subject to significant changes in fiscal policy from countries around the world as the global geopolitical climate has evolved, partly affected by falls in some commodity prices. This has included,

among other things, increased scrutiny by governments and tax authorities in pursuit of perceived aggressive tax structuring by multinational companies which has elevated potential tax exposures for the Group. In addition, governments have sought, and may continue to seek, additional sources of revenue by increasing rates of taxation, royalties or resource rent taxes and increased sustainability obligations. Continued changes may negatively impact the financial results of existing assets and projects and reduce anticipated future returns and overall level of prospective investment in those countries. In addition, there may be uncertainty around changes in and the enforcement of such tax regimes, which can make planning of future investments challenging.

The Group transacts business in locations where it is exposed to a greater-than-average risk of overt or effective expropriation or nationalisation, including in countries where the government has previously expropriated assets of other companies held within the jurisdiction or where members of the government have publicly proposed that such action be taken. In addition, title to the Group's mining and hydrocarbon rights may be challenged or impugned, and title insurance may not generally be available. In many cases, the government of the country in which a particular asset is located is the sole authority able to grant such rights and, in some cases, may have limited infrastructure and limited resources which may severely constrain the Group's ability to ensure that it has obtained secure title to individual exploration licences or extraction rights. A successful challenge to the Group's mining and/or hydrocarbon extraction rights may result in the Group being unable to proceed with the development or continued operation of a mine or project.

The Group's operations may also be affected by political and economic instability in the countries in which it operates. Such instability could be caused by, among other things, terrorism, war, guerrilla activities, military repression, civil disorder, social unrest, violent crime, workforce instability, change in government policy or the ruling party, economic or other sanctions imposed by other countries, extreme fluctuations in currency exchange rates or high inflation.

The geopolitical risks associated with operating in a large number of regions and countries, if realised, could affect the Group's ability to manage or retain interests in its industrial activities and could have a material adverse effect on the profitability, ability to finance or, in extreme cases, viability of one or more of its industrial assets. Disruptions in certain of its industrial operations at any given time could have a material adverse effect on the business, results of operations and financial condition of the Group.

## Legal and regulatory risks relating to the Group

***The Group is exposed to and subject to a significant number of laws and regulations.***

The activities of the Group are exposed to and subject to extensive laws and regulations governing various matters. These include laws and regulations relating to bribery and corruption, economic sanctions, taxation, antitrust, financial markets regulation, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, the employment of expatriates, labour and occupational health and safety standards, and historical and cultural preservation. Policies, laws and regulations in the countries in which the Group does business may change in a manner that adversely affects the Group. The terms attaching to any permit or licence to operate may be onerous. Additionally, in many of the developing countries where the Group operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position, as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to render the Group unable to enforce its understanding of title, permits or other rights, as well as to increase compliance costs.

The costs associated with compliance with these laws and regulations, including the costs of regulatory permits, are substantial and increasing. Any changes to these laws or regulations or more stringent enforcement or

restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including in the Group's marketing business) to be incurred or impose restrictions on, or suspensions of, the Group's operations and delays in the development of its properties. Failure to obtain or renew a necessary permit could mean that the Group would be unable to proceed with the development or continued operation of an asset. The suspension or loss of the Group's permits or licenses to operate could have a material adverse effect on the Group's operations and could preclude it from participating in bids and tenders for future business and projects, thereby affecting the Group's long-term prospects. In addition, certain of the Group's industrial assets are located in countries where title to land and rights and permits in respect of land and resources (including indigenous title) has not been and may not always be clear, creating the potential for disputes over resource development. Disputes relating to an industrial asset could disrupt or delay extraction, processing or other projects and/or impede the Group's ability to develop new industrial assets.

The Group's subsidiaries and the companies in which it holds investments are generally required, under applicable laws and regulations, to seek governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside the Group's control.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a material adverse impact on the ability of the Group to operate its businesses and/or the profitability of its industrial investments. For example, in 2018, the parliament of the Democratic Republic of the Congo (the "DRC") adopted a revised mining code (the "2018 Mining Code"). The 2018 Mining Code includes significant increases in royalties and a new Super Profits Tax regime that potentially impacts the Group's ability to offset previously incurred tax losses against future taxable profits, introduces government ownership requirements and repatriation restrictions and retroactively terminates the 10-year stability clause that exists in the current mining code. The 2018 Mining Code has been implemented and, depending on how its provisions are enforced, including in relation to the use of more restrictive procurement requirements, may have a significant impact on the Group's investments in the DRC and their value.

Furthermore, the Group does business in jurisdictions and with counterparties who have, in the past, and may in the future, become the targets of economic sanctions. See "*Business—Legal and Regulatory*". These sanctions can be imposed or altered with little or no advance notice. The Group is committed to complying with all applicable sanctions in its business and taking all necessary measures in order to manage the impacts on its business as a result of the imposition of or changes in applicable sanctions regimes. However, there can be no assurance that the Group's compliance procedures will protect it against sanctions breaches.

***The Group is exposed to risks associated with regulatory actions and enforcement proceedings.***

The numerous laws and regulations to which the Group is subject allow governmental and other authorities to commence investigations and/or make inquiries or requests for information regarding the Group's operations and allow governmental authorities or private parties to bring lawsuits or other enforcement proceedings based on suspected or alleged violations of applicable law and regulation.

The Group is subject to a number of investigations by regulatory and enforcement authorities including:

- The United States Department of Justice is investigating the Group with respect to compliance with various criminal statutes, including the U.S. Foreign Corrupt Practices Act of 1977, United States money laundering statutes and fraud statutes related to the Group's business in certain overseas jurisdictions.

- The United States Commodity Futures Trading Commission (the "CFTC") is investigating whether the Group may have violated certain provisions of the U.S. Commodity Exchange Act of 1936 and/or CFTC regulations including through corrupt practices in connection with commodities trading.
- The United Kingdom Serious Fraud Office is investigating the Group in respect of suspicions of bribery in the conduct of business of the Group.
- The Brazilian authorities are investigating the Group in relation to "Operation car wash", which relates to bribery allegations concerning Petrobras.
- The Office of the Attorney General of Switzerland is investigating Glencore International AG for failure to have the organisational measures in place to prevent alleged corruption.

The Group is continuing to cooperate fully with the various authorities, including through reporting to those authorities with facts relevant to the investigations. The investigations are complex and dynamic including in relation to scope. The timing and outcome of the various investigations remain uncertain. It is also possible that the various investigations may expand and/or that other authorities may open investigations into the Group. The final scope and outcome of the investigations are not possible to predict and estimate.

The cost of cooperating with the existing investigations and/or defending proceedings is substantial. Investigations or proceedings could lead to reputational damage, the imposition of material fines, penalties, redress or other restitution requirements, or other civil or criminal sanctions on the Group (and/or on individual employees of the Group), the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. The impact of any monetary fines, penalties, redress or other restitution requirements, and the reputational damage that could be associated with them as a result of investigations or proceedings that are decided adversely to the Group, could be material.

In addition, the Group may be the subject of legal claims brought by private parties in connection with alleged non-compliance with these laws, including class action suits in connection with governmental and other investigations and proceedings or lawsuits based upon damages resulting from operations. The Group was named in a securities class action suit in the United States District Court of New Jersey in connection with the various regulatory and enforcement authorities' investigations. The District Court issued an order dismissing the suit on 31 July 2020. Other claims and unresolved disputes are pending against the Group. Any successful claims brought against the Group could result in material damages being awarded against the Group, the cessation of operations, orders to pay compensation or remedial and/or preventative orders.

The timing and amount of any financial obligations (such as fines, penalties or damages, which could be material) or other consequences, including external costs arising from any of the various investigations and any change in their scope are not possible to predict and estimate at the end of the reporting period. The cost of the above investigations and claims and unresolved disputes that are pending against the Group, along with the timing of resolution and potential outcome (including any future financial obligations), are uncertain and no liabilities have been recognised in relation to these matters.

***Due to the nature of its business and operations, the Group is exposed to the risks of fraud, corruption, sanctions breaches and other unlawful activities.***

As a diversified sourcing, marketing and distribution company conducting complex transactions globally, the Group is exposed to the risks of fraud, corruption, sanctions breaches and other unlawful activities both internally and externally. The Group's marketing operations are large in scale, which may make fraud, corruption, sanctions breaches or other unlawful activities difficult to detect. In addition, some of the Group's industrial activities are located in countries where corruption is more commonly seen; and some of the Group's

counterparties have in the past, and may in the future, become the targets of economic sanctions. See "*Business—Legal and Regulatory*". Corruption and sanctions risks remain highly relevant for businesses operating in international markets, as shown by recent regulatory enforcement actions both inside and outside the resources sector.

The Group has implemented a Group-wide compliance programme that includes a range of policies, procedures, guidelines, training and awareness, monitoring and investigations. However, there can be no assurance that this programme will adequately protect the Group against fraud, corruption, sanctions breaches or other unlawful activity and such activity could have a material adverse effect on the Group's business, reputation, results of operations or financial condition.

***The Group is subject to emissions and climate change regulations.***

The Group's global presence exposes it to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and increase administrative costs for monitoring and reporting. Third parties, including potential or actual investors or debt providers, may also introduce policies adverse to the Group due to its activities in fossil fuels. Increasingly, major global investors are demanding transition plans from power and utility companies consistent with the goals of the Paris Agreement under the UN Framework Convention on Climate Change, including explicit timelines and commitments for the rapid elimination of coal use by utilities. Over time, it is reasonable to assume that it will become increasingly difficult to access capital for the Group's coal business and that this may impact the ability of institutional shareholders and lenders to hold equity in or provide capital to the Group.

The transition to a low-carbon economy and its associated public policy and regulatory developments may lead to:

- the imposition of new regulations and climate change related policies adverse to the Group's interests in fossil fuels by actual or potential investors, customers and banks, potentially impacting the Group's reputation, access to capital and financial performance;
- increased costs for energy and for other resources which may impact the productivity of the Group's assets and associated costs;
- the imposition of levies related to greenhouse gas emissions;
- increased costs for monitoring and reporting related to the Group's carbon footprint;
- reduced demand for the Group's fossil fuel products;
- impacts on the development or maintenance of the Group's assets due to restrictions in operating permits, licenses or similar authorisations;
- or closing of coal assets and consequent loss of investment.

Increasing regulation of greenhouse gas ("GHG") emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which the Group operates, is likely to raise production, transportation and administrative costs and reduce demand growth. This includes countries where the Group has assets such as Australia, Canada, Chile and South Africa, as well as customer markets such as China, South Korea, Japan and Europe. For example, the European coal market has seen reduced demand affecting Colombian coal production, in particular. Many developed countries are pledging to stop using fossil fuels (specifically coal) in power generation. This is particularly relevant for the Group as the world's largest producer of seaborne thermal coal and a significant marketer of fossil fuels. As a

result of these factors, there is the risk that many fossil fuel assets, including those of the Group, could become "stranded", i.e. no longer capable of operating for an economic return with the capital invested being lost.

In addition, climate change may increase physical risks to the Group's assets and related infrastructure, largely driven from extreme weather events and water related risks such as flooding or water scarcity. There has been a significant increase in litigation (including class actions), in which climate change and its impacts are a contributing or key consideration, including administrative law cases, tortious cases and claims brought by investors. In particular, a number of lawsuits have been brought against companies with fossil fuel operations in various jurisdictions seeking damages related to climate change. Any such developments may have a material adverse effect on the Group's business, results of operations and financial condition.

***The Group's operations are subject to health, safety and environmental regulations and legislation.***

The processes and chemicals used in the Group's extraction and production methods, as well as transport and storage, may pose environmental hazards at the Group's industrial assets. A serious failure in these areas could lead to an emergency or catastrophe at one of the Group's assets. In addition, new or amended environmental, health and safety legislation or regulations may result in increased operating costs or, in the event of non-compliance or accidents or incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants or related facilities (such as logistics or storage facilities) or surrounding areas, may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences.

The Group may be liable for losses associated with environmental hazards, may have its licences and permits withdrawn or suspended or may be forced to undertake extensive remedial clean-up action or to pay for government ordered remedial clean-up actions, even in cases where such hazards have been caused by previous or subsequent owners or operators of the property, by past or present owners of adjacent properties, by independent third party contractors providing services to the Group or by acts of vandalism by trespassers. Any such losses, withdrawals, suspensions, actions or payments may have a material adverse effect on the Group's business, results of operations and financial condition.

***The Group is subject to risks relating to product safety and dangerous goods regulations.***

Products sold by the Group are in many cases covered by national and international product safety and dangerous goods regulations. In some instances, product safety regulations (for example, the EU's Chemical Control Act, Registration, Evaluation, Authorisation and Restriction of Chemicals, REACH) oblige manufacturers and importers to register their products and to regularly monitor and evaluate the risks and hazards of substances to protect humans and the environment from harm during handling, storage and use. Any failure in complying with these obligations could result in a delay of the Group's product delivery, a loss of insurance coverage, business interruption on the customer side, administrative or criminal sanctions and, in the extreme, being banned (temporarily) from a marketplace. Such events could have a material impact on local or global demand, reducing the Group's marketing opportunities for such a product, or at least increase the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on the business, results of operations and financial condition of the Group.

## Financial risks relating to the Group's business activities

***Liquidity risk could limit the Group's ability to engage in desired activities and grow its business.***

Liquidity, or ready access to funds, is essential to the Group's businesses. A lack of liquidity may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities, both of which employ substantial amounts of capital.

The Group's marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to its end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities.

The Group's industrial activities are capital intensive and the continued funding of such activities is critical to maintain its ownership interests in its industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to increase production levels in the future in accordance with its business plans and to grow its industrial activities through the acquisition of new assets.

While the Group adjusts its minimum internal liquidity targets in response to changes in market conditions, these minimum internal liquidity targets may be breached due to circumstances that the Group is unable to control, such as general market disruptions, sharp increases or decreases in the prices of commodities or an operational problem that affects its suppliers or customers or the Group, which may require the Group to take remedial action that may have an adverse effect on business, results of operations or earnings.

***The Group has significant outstanding liabilities.***

The Group has a significant amount of outstanding indebtedness and other liabilities, which may impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness and other liabilities could cause the Group to dedicate a substantial portion of cash flow from operations to payments to service or settle debt and liabilities, which could reduce the funds available for working capital, capital expenditure, acquisitions, distributions to shareholders and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing the Group at a competitive disadvantage compared to its competitors which are less leveraged than it is. In addition, a high level of indebtedness and liabilities together with future debt financing, if accessible, may increase the Group's vulnerability to both general and industry specific adverse economic conditions.

In addition to maintaining a cash position, the Group relies on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset-backed facilities and issuance of notes in the debt capital markets. An inability to refinance or increase existing facilities in the debt markets may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities, which could have a material adverse effect on the Group's results of operations and earnings. The Group's access to debt in amounts adequate to finance its activities could be impaired by factors that affect the Group itself or the industries or geographies in which it operates. There can be no assurance that additional credit or funding will be made available on acceptable terms in the future.

***A reduction in its credit ratings could adversely affect the Group.***

The Group's borrowing costs and access to the debt capital markets, and thus its liquidity, depend significantly on its public credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place the Group on "credit watch", which could have negative implications. A deterioration of the Group's credit ratings could increase its borrowing costs and limit its access to the capital markets, which, in turn, could reduce its earnings.

The Group's counterparties, including customers, suppliers and financial institutions, are also sensitive to the risk of a ratings downgrade and may be less likely to engage in transactions with the Group, or may only engage at a substantially higher cost or on increased credit enhancement terms (for example, letters of credit, additional guarantees or other credit support) which carry increased costs, if the Group's ratings were downgraded to

below investment grade. If such an event were to occur, it could have a material adverse effect on its business, results of operations, financial condition or prospects.

## Other risks relating to the Group's business activities

***The Group is subject to counterparty credit and performance risk, in particular via its marketing activities.***

Non-performance by the Group's suppliers, customers and hedging counterparties may occur and cause losses in a range of situations, such as:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to the Group at pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices;
- suppliers may take payment in advance from the Group and then find themselves unable to honour their delivery obligations due to financial distress or other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reasons.

In addition, financial assets consisting principally of cash and cash equivalents, marketable securities, receivables and advances, derivative instruments and long-term advances and loans could potentially expose the Group to concentrations of credit risk.

The Group is reliant on third parties to source the majority of the commodities purchased by its marketing operations. Any disruptions in the supply of product, which may be caused by factors outside the Group's control, could adversely affect the Group's margins. The Group's business, results of operations and financial condition could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

The Group seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions, including making extensive use of credit enhancement products, such as letters of credit, bank guarantees or insurance policies, where appropriate, and by imposing limits on open accounts extended. Whilst these limits are believed appropriate based on current levels of perceived risk, there is a possibility that a protracted difficult economic environment could negatively impact the quality of these exposures. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining arrangements in place with such hedge counterparties. However, no assurance can be given that the Group's attempts to reduce the risk of customer non-performance will be successful in every instance or that its results of operations will not be adversely affected by the failure of a counterparty or counterparties to fulfil their contractual obligations in the future. Such failure could have an adverse impact on the Group's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

***The Group's industrial activities involve a number of development and operating risks and hazards, many of which are outside the Group's control.***

The Group's business is subject to numerous development and operating risks and hazards normally associated with natural resource projects, many of which are beyond the Group's control. These development and operating risks and hazards include unanticipated variations in grade and other geological problems (so that anticipated or stated reserves, resources or mineralised potential may not conform to expectations and in particular, may

not reflect the reserves and resources which the Group reports), seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, IT and technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labour force insufficiencies, disputes or disruptions, unanticipated logistical and transportation constraints, tribal action or political protests, epidemics or health emergencies, force majeure factors, sabotage, cost overruns, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, cause production to be reduced or to cease at those properties or production facilities, result in a decrease in the quality of the products, increased costs or delayed supplies, personal injury or death, environmental damage, business interruption and legal liability and in actual production differing from estimates of production.

The Group's industrial assets are subject to environmental hazards as a result of the processes and chemicals used in traditional extraction, production, storage, disposal and transportation methods. Environmental hazards may exist on the Group's owned or leased properties or at those of the industrial activities in which it holds an interest or may be encountered while its products are in transit. The storage of tailings at the Group's industrial assets may present a risk to the environment, property and persons where there remains a risk of leakage from or failure of the Group's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure. In addition, the Group conducts oil exploration and drilling activities and also stores and transports crude oil and oil products around the world. Damage to exploration or drilling equipment, a vessel carrying oil or a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs.

The realisation of such operating risks and hazards and the costs associated with them could materially adversely affect the Group's business, results of operations and financial condition, including by requiring significant capital and operating expenditures to abate the risk or hazard, restore the Group's or third-party property, compensate third parties for any loss and/or pay fines or damages.

***The Group's industrial activities are exposed to an increase in production costs, including as a result of increased energy costs or shortages of equipment, spare parts and labour.***

As commodity prices are outside the Group's control, the competitiveness and sustainable long-term profitability of the Group depends significantly on its ability to reduce costs and maintain a broad spectrum of low-cost, efficient operations. The high level of fixed costs in its industrial activities makes it difficult for the Group to respond quickly to price fluctuations. Because the Group cannot always pass increases in production costs on to customers, any increases in input costs will adversely affect the business, results of operations and financial condition of the Group.

Costs associated with the operation of the Group's industrial assets can be broadly categorised into labour costs and other operating and infrastructure costs, including power and equipment costs. Production costs are heavily influenced by the extent of on-going development required, resource grades, site planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. Over time, resources even at the same asset tend to become more difficult and costly to extract, as challenges including working at depth, increasing haulage distances and working with inconsistent or chemically complex ores are faced. All of the Group's industrial assets are, to varying degrees, affected by increases in costs for labour and fuel. Unit production costs are also significantly affected by production volumes and, therefore, production levels are frequently a key factor in determining the overall cost competitiveness of the Group's industrial activities. In addition, if certain industrial inputs are unavailable at any price, the Group may find its production of certain commodities to be involuntarily curtailed, which would result in lost revenue and profits, which would adversely affect the results of operations and financial condition of the Group.

***The Group's stated mineral, coal and hydrocarbon reserves, resources and mineralised potential are only estimates and the anticipated volumes or grades may not be achieved.***

The estimated reserves and resources of the Group should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. No assurance can be given that the anticipated quantities and grades will be achieved, that the indicated level of recovery will be realised or that mineral, coal and hydrocarbon reserves, resources and mineralised potential can be extracted or processed profitably. Actual reserves, resources or mineralised potential may not conform to geological, metallurgical or other expectations, and the volume and grade of ore or product recovered may be below the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's reserves, resources or mineralised potential uneconomical to exploit and may result in a revision of its reserve estimates from time to time. Reserve data are not indicative of future results of operations. The Group's future success depends upon conducting successful exploration and development activities or acquiring properties containing economically recoverable reserves. If the Group's actual mineral, coal and hydrocarbon reserves and resources are less than current estimates, or if the Group fails to develop its resource base through the realisation of identified or new mineral potential, the business, results of operations and financial condition of the Group may be materially and adversely affected.

***The Group is dependent on its IT, financial, accounting, marketing and other data processing information systems to conduct its business.***

The Group's activities depend on technology for industrial production, efficient operations, environmental management, health and safety, communications, transaction processing and risk management. The Group recognises that the increasing convergence of IT and operational technology networks will create new risks and demand additional management time and focus. The Group also depends on third parties in long supply chains that are exposed to the same cyber risks and which are largely outside of the Group's control. The Group's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. The Group's key business processes rely on in-house developed modules and are regularly updated and adapted to suit its business needs. All of these applications are primarily managed from its headquarters and are available to all the major business locations. Cyber risks for businesses in general have increased significantly in recent years, due in part, to the proliferation of new technologies, the use of the internet and the increasing degree of connectivity, telecommunications technologies and a material increase in cyber-crime. A cyber security breach, incident or failure of the Group's IT systems could disrupt its businesses, put employees at risk, result in the disclosure of confidential information, damage the Group's reputation and create significant financial and legal exposure for the Group.

***Accidents at the Group's industrial activities, logistics and storage facilities could result in injuries and fatalities.***

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to the Group's operated assets or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with the Group's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with the Group's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with the Group's oil exploration activities include explosions, spills and potential large-scale environmental pollution. Risks associated with the Group's logistics and storage operations may include the risk of: ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after

closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by the Group have occurred in the past and may occur in the future. In 2020, there were eight fatalities at the Group's managed operations. The occurrence of accidents may adversely impact the Group's business, results of operations and financial condition.

***The Group's reputation in the communities in which it operates could deteriorate.***

The continued success of the Group's existing operations and its future projects are in part dependent upon broad support of and a healthy relationship with the respective local communities in which the Group operates. If it is perceived that the Group is not respecting or advancing the economic and social progress and safety of the local communities, its reputation could be damaged, which could have a negative impact on its ability to operate effectively, its ability to secure new resources, its capacity to attract and retain labour and its financial performance.

Some of the Group's current and potential industrial activities are located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. The consequences of negative community reaction or allegations of human rights incidents could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation and the safety and security of the Group's workforce and assets. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to material reputational damage. If the Group's operations are delayed or shut down as a result of political and community instability, its earnings may be constrained and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to the Group is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of the Group's assets and industrial investments and, consequently, have a material adverse effect on the financial condition of the Group.

***The maintenance of positive employee and union relations and the ability to attract and retain skilled workers is key to the successful operation of the Group.***

Some of the Group's employees (mainly those employees at the Group's industrial activities), as well as employees in non-controlled industrial investments, are represented by labour unions under various collective labour agreements. The Group, its subsidiaries or the industrial investments in which it holds an interest may not be able to satisfactorily renegotiate their collective labour agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionised labour. In addition, existing labour agreements may not prevent a strike or work stoppage at its facilities in the future, and any strike or other work stoppage could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's industrial activities have experienced strikes and other labour disputes in the past and the Group believes that strikes and other industrial actions will remain a risk to the business for the foreseeable future.

The success of the Group's business is also dependent on its ability to attract and retain highly effective marketing and logistics personnel, as well as highly qualified and skilled engineers and other industrial, technical and project experts to operate its industrial activities, including in locations experiencing political or civil unrest, or in which the Group may be exposed to other hazardous conditions. The Group may not be able to attract and retain such qualified personnel, and this could have a material adverse effect on the Group's business, results of operations and financial condition.

***The Group's business depends on its ability to retain and attract key employees.***

The Group's success depends on the continued service and performance of its key employees. The loss of services of certain key employees, whether to go to a competitor, to start their own business, to retire or for other reasons, could have a material adverse effect on the Group's operations or financial condition. If the Group fails to retain or attract the necessary calibre of employees or if it fails to maintain compensation awards at an

appropriate level for such employees, the Group's business, results of operations or financial condition could be materially adversely affected.

***The success of the Group's marketing activities depends in part on its ability to identify and take advantage of arbitrage opportunities.***

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

Profitability of the Group's marketing activities is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example, due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics, assets or other operational constraints, could adversely impact the Group's business, results of operations and financial condition.

***The Group's marketing activities require access to significant amounts of freight, storage, infrastructure and logistics support and it is exposed to increases in the costs and availability thereof.***

The Group's marketing activities entail shipments of commodities in large quantities, often by ocean-going transport. The Group has a large and diversified fleet of vessels, including longer term charters, the majority of which service the Group's marketing activities business segment, which exposes the Group to fluctuations in freight spot rates. In addition, the Group often competes with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Increases in the costs of freight, storage, infrastructure and logistics support or limitations or interruptions in the supply chain (including any disruptions, refusals or inability to supply) which impede the Group's ability to deliver products on time could adversely affect the Group's business, results of operations or financial condition. The Group also requires significant storage capacity for its commodities, which it sources both through facilities in which the Group holds equity stakes and pursuant to rental agreements providing it with access to, among others, oil terminals and tank farms, metal and other warehouses and silos. Any decrease in the Group's ability to access its customary levels of capacity from these storage facilities or an increase in the price at which the Group can acquire storage capacity could have an adverse effect on the Group's business by forcing the Group to use storage facilities in less advantageous locations or at prices that make it less profitable for the Group to supply its customers.

***The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks.***

The Group's marketing activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. The Group has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so in the future. Nonetheless, the Group's policies and procedures to identify, monitor and manage risks have not been fully effective in the past and may not be fully effective in the future.

Some of the Group's methods of monitoring and managing risk are based on historical market behaviour that may not be an accurate predictor of future market behaviour. Other risk management methods depend on evaluation of information relating to markets, suppliers, customers and other matters that are publicly available

or otherwise accessible by the Group. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in doing so. Failure to manage all risks associated with the Group's business could have a material adverse effect on the Group's business, results of operations and financial condition.

***The Group holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements and operates Viterra as a joint venture.***

The Group does not unilaterally control a number of its significant industrial investments or Viterra. Accordingly, the boards of these companies may:

- have economic or business interests or goals that are inconsistent with or are opposed to those of the Group;
- exercise veto rights or take shareholders' decisions so as to block actions that the Group believes to be in its best interests and/or in the best interests of all shareholders;
- take action contrary to the Group's policies or objectives with respect to its investments or commercial arrangements; or
- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by the Group's co-investors or where control is shared on an equal basis, the Group may provide expertise and advice, but has limited or restricted ability to mandate compliance with its policies and/or objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of the Group.

***The Group is exposed to the risk of delays in or failure to develop planned expansions or new projects.***

The Group has certain expansion projects for its existing operations and plans for certain new projects, the development of which is exposed to a number of risks outside its control, such as technical uncertainties, availability of suitable financing, infrastructure constraints, construction delays, cost overruns, insufficient labour skills or resources, delays in permitting or other regulatory matters.

Any future upward revisions in estimated project costs, delays in completing planned expansions, cost overruns, suspension of current projects or other operational difficulties after commissioning may have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, in turn requiring it to consider delaying discretionary expenditures, including capital expenditures, or suspending or altering the scope of one or more of its development projects.

In addition, there can be no assurance that the Group will be able to effectively manage the risks arising from expansion of its operations. The Group's current systems, procedures and controls may need to be expanded and strengthened to support future operations. Any failure of the Group to effectively manage its expansion plans or expanded operations could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Once complete, the results of these projects could differ materially from those anticipated by the Group and the significant capital expenditures related to these projects may not be offset by cash flows or other benefits from these projects in the timeframe anticipated or at all.

***The Group is exposed to the risks associated with production curtailment and resumption.***

In an effort to avoid over-supplying markets or building up an inventory of unsold products during periods of depressed commodity prices, the Group's policy is to curtail production by closing mines and production facilities, placing other mines and production facilities under care and maintenance and deferring or cancelling previously planned expansionary capital expenditure. While this practice may contribute to the stabilisation of commodity prices and enable the Group to avoid selling products at or below their marginal cost of production, it imposes costs both directly, in the form of redundancy payments, equipment removal, security and other closing costs and the cost of resuming production or a capital expenditure programme when prices justify such renewal, and, indirectly, in the form of revenue forgone, deterioration of assets or the resulting increase in unit costs. These costs can adversely affect the Group's business, results of operations, financial condition or prospects.

Given the lead times required to curtail or resume production levels, periods of higher commodity price volatility have exacerbated and may in the future exacerbate the adverse effects of changes in production levels, which have had and may in the future have an adverse effect on the Group's business, results of operations, financial condition or prospects.

***The production, processing and product delivery capabilities of the Group's industrial assets rely on their infrastructure being adequate and remaining available.***

The mining, drilling, processing, development and exploration activities of the industrial assets in which the Group holds an interest depend on adequate infrastructure. Certain of these assets are located in areas that are sparsely populated and are difficult to access. Reliable roads, power sources, transport infrastructure and water supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and, therefore, the Group's ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, associated with climate change or otherwise, sabotage or other interference in the maintenance or provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or exploration costs or delay the transportation of raw materials to the mines and projects and commodities to end customers. Furthermore, in some locations where the Group has operations, poor quality infrastructure is endemic. Any such issues arising in respect of the infrastructure supporting or on the Group's sites could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group's hedging strategy may not always be effective, does not require all risks to be hedged and may leave an exposure to basis risk.***

The Group's marketing activities involve a significant number of purchase and sale transactions across multiple commodities. To the extent the Group purchases a commodity from a supplier and does not immediately have a matching contract to sell the commodity to a customer, a downturn in the price of the commodity could result in losses to the Group. Conversely, to the extent the Group agrees to sell a commodity to a customer and does not immediately have a matching contract to acquire the commodity from a supplier, an increase in the price of the commodity could result in losses to the Group as it then seeks to acquire the underlying commodity in a rising market. In view of the risks in its marketing activities related to commodity price fluctuations and potential losses, the Group has a policy, at any given time, of hedging substantially all of its marketing inventory not already contracted for sale at pre-determined prices through futures and swap commodity derivative contracts, either on commodity exchanges or in the over-the-counter market. Certain of the commodities produced and traded by the Group do not have liquid markets where base price risk exposures can be fully eliminated using derivative instruments. In the event of disruptions in the commodity exchanges or markets on which the Group engages in these hedging transactions, or for commodities where fully effective hedges are not available, the Group's ability to manage commodity price risk may be adversely affected, and this could in turn materially adversely affect its business, financial condition and results of operations. In addition, there are

no traded or bilateral derivative markets for certain commodities that the Group purchases and sells, which limits the Group's ability to fully hedge its exposure to price fluctuations for these commodities. In these instances, the Group's ability to hedge its commodity exposure is limited to forward contracts for the physical delivery of a commodity or futures and swap contracts for a different, but seemingly related, commodity. Finally, subject to internal risk management, limits and policies, in some cases, the Group takes deliberate directional positions without a corresponding opposite directional position in place as part of its marketing strategy which has, at certain points in the past, resulted, and may in the future result, in losses.

***The Group relies on certain agreements for the sourcing of commodities and these agreements may be terminated or fail to be renewed.***

The Group is a party to various agreements with certain of its non-controlled industrial assets for the supply of commodities to its marketing business. These agreements are an important source of commodities for the Group's marketing activities and provide certainty of regular supply for the Group. These supply agreements range from short-term spot contracts to multiple years in duration and have historically been renewed by the Group and the supplier on commercially acceptable terms. However, in general, these companies have no obligation to renew their supply agreements. The Group may not be able to compel the relevant company to enter into or renew a supply agreement with the Group in cases where the Group does not own 100 per cent. of the company or where related party transaction minority shareholder approval requirements apply. The Group relies on these agreements to source some of its key commodities and any termination or failure to renew such agreements at the end of their terms could have an adverse effect on the Group's business, results of operations and financial condition.

***The commodities industry is very competitive, and the Group may have difficulty effectively competing with other industrial and commodity marketing companies.***

The commodities industry is characterised by strong competition. The Group faces intense competition in each of its business segments and some of its competitors may, in the future, use their resources to broaden their reach into the markets in which the Group operates and therefore compete further against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments. Increased competition may result in losses of market share for the Group and could materially adversely affect its business, results of operations and financial condition.

***The Group is subject to risks relating to the processing, storage and transportation of its commodities.***

The Group's processing and storage facilities, which include ore processing plants, smelters, refineries, tank farms and oil terminals, are subject to risks and hazards, including accidental environmental damage, technical failure, vandalism and terrorism, which, if they materialise, could adversely affect the Group's business, results of operations and financial condition. In addition, the Group also depends upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver its commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, pandemics, cyber-related issues, maritime disaster or other events could temporarily impair the Group's ability to transport its commodities to its customers and thus could adversely affect its operations.

Metal processing plants (ore processing plants, smelters and refineries) are especially vulnerable to interruptions, particularly where events cause a stoppage that necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect the Group's smelting operations.

Transportation and storage of crude oil and oil products involve significant hazards that could result in fires, explosions, spills, maritime disaster and other unexpected or dangerous conditions. The occurrence of any of

these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or negative publicity on the Group's business.

The vessels the Group uses to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves and tsunamis. Any of these natural calamities could result in the Group's vessels grounding, sinking or colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in full) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. The loss of earnings while the vessels are being repaired and repositioned, and the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect the Group's business and results of operations. Furthermore, the vessels the Group uses to transport its products may be exposed to piracy, terrorist attacks and other events beyond its control. These events could result in adverse effects to the Group's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business. While the Group has procured insurance for its operations against these types of risks, there can be no assurance that the insurance coverage the Group has will be adequate or that its insurers will pay a particular claim. As is the standard for policies of this type, the Group's insurance policies do not, for example, cover risks arising from damage caused by wear and tear to the vessels that it owns directly or through joint ventures. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, a lack of adequate insurance coverage may have a material adverse effect on the Group's business and results of operations and financial condition.

## Other risks relating to the Group

***The Group may fail to integrate acquisitions or mergers effectively or fail to realise the anticipated business growth opportunities or other synergies.***

From time to time, the Group considers the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. Further acquisitions to be made by the Group may be subject to certain approvals (for example, shareholder or antitrust approvals which may or may not be obtained or may be obtained subject to remedies, including the divestment of assets). Business combinations entail a number of risks, including ongoing regulatory conditions and obligations, the ability of the Group to effectively integrate the businesses acquired with its existing operations and the realisation of anticipated synergies, significant one-time write-offs or restructuring charges, unanticipated costs, addressing possible differences in business culture, processes, controls, procedures and systems and failing to integrate and motivate key employees and/or retain certain individuals during the integration period. The Group may also face challenges with redeploying resources in different areas of operations to improve efficiency and minimising the diversion of management attention from ongoing business concerns.

Failure to successfully integrate a business could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions and have a material adverse impact on the Group's business, results of operations and financial condition.

***Social, economic and other risks in the markets where the Group operates may cause serious disruptions to its business.***

Through the geographic diversity of its operations, the Group is exposed to risks of political unrest, strikes, war and economic and other forms of instability, such as natural disasters, epidemics or health emergencies, such as

the recent COVID-19 pandemic, acts of God, terrorist attacks and other events beyond its control that may adversely affect local economies, infrastructure and livelihoods.

These events could result in disruption to the Group's and its customers' or suppliers' businesses and seizure of, or damage to, any of their cargoes or assets. Such events could also cause the destruction of key equipment and infrastructure (including infrastructure located at or serving the Group's industrial activities, as well as the infrastructure that supports the freight and logistics required by the Group's marketing operations). These events could also result in the partial or complete closure of particular ports or significant sea passages, such as the Suez or Panama canals or the Strait of Hormuz, potentially resulting in higher costs, congestion of ports or sea passages, vessel delays or cancellations on some trade routes. Any of these events could adversely impact the business and results of operations of the Group.

***The industries in which the Group operates are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by its insurance programmes.***

The Group has various insurance programmes in place which provide certain coverage for its operations. However, the Group's insurance programmes can only account for some of the risks associated with its operations. Suitable coverage at reasonable rates is not always commercially available to cover all material risks and even where available, such coverage will never be sufficient to cover all loss and liability to which the Group may be exposed. In particular, insurance coverage relating to tailings dams at the Group's industrial assets and the activities and assets of the coal department have become increasingly difficult to insure on a commercial basis. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the business, results of operations and financial condition of the Group.

## Risks and other considerations relating to the Notes

***The Notes may not be a suitable investment for all investors.***

Each prospective Noteholder must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Noteholder should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in, or incorporated by reference into, this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the prospective Noteholder's local currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***There are limitations relating to the optional redemption of the Notes.***

The optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on such Notes. At those times, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective Noteholders should consider reinvestment risk in light of other investments available at that time.

***The Notes are structurally subordinated to the indebtedness of non-Guarantor subsidiaries.***

In the event of a bankruptcy, liquidation or reorganisation of a subsidiary of a Guarantor, holders of the subsidiary's indebtedness or preferred stock and the subsidiary's trade creditors will generally be entitled to payment of their claims from the assets of the subsidiary before any assets are made available for distribution to such Guarantor (as a direct or indirect holding company of that subsidiary).

***The Notes are effectively subordinated to all secured indebtedness.***

The Notes will be effectively subordinated to all of the Group's existing and future secured indebtedness to the extent of the value of the assets securing that indebtedness. In addition, the Group may incur additional indebtedness in the future, subject to limitations contained in the instruments governing its existing indebtedness. This additional indebtedness may also be secured.

***There are limitations in respect of Glencore Schweiz's and/or GIAG's liability with respect to its obligations under the Guarantee, the Indenture or otherwise in connection with the Notes.***

Any guarantee, indemnity or other benefit, as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set-off or subrogation rights or the subordination of intra-group claims, granted by Glencore Schweiz and/or GIAG for their direct and indirect parent and sister companies (collectively referred to herein as "Up-stream/Cross-stream Obligations") are subject to certain restrictions and risk being held invalid or partially invalid under Swiss corporate law.

The ability of Glencore Schweiz and GIAG to assume Up-stream/Cross-stream Obligations is restricted under Swiss law insofar as such Up-stream/Cross-stream Obligations must be within the corporate purposes and interests of Glencore Schweiz and GIAG and must not result in a repayment of the legally protected reserves (*gesetzlich geschützte Reserven*) or other non-permitted distribution of assets to shareholders, board members or other persons close to Glencore Schweiz and/or GIAG. In light of the foregoing, it is standard market practice to limit the value of any Up-stream/Cross-stream Obligations assumed by Glencore Schweiz and GIAG (if any) to their respective freely distributable equity at the time of enforcement (to the extent that there still is a limitation requirement under applicable Swiss law in force at the relevant time). Accordingly, the Guarantees and the Indenture include this specific limitation. Freely distributable equity is equal to the maximum amount that Glencore Schweiz or GIAG could distribute to its shareholders as a dividend payment under Swiss law at such time, which is currently the total shareholder equity less the total of (i) the aggregate share capital and (ii) the statutory reserves and any blocking reserves (to the extent such reserves cannot be transferred into unrestricted, distributable reserves). The amount of freely distributable equity shall be determined on the basis of an audited annual or interim balance sheet of Glencore Schweiz or GIAG (as applicable) prepared as per the time when performance of the relevant Up-stream/Cross-stream Obligations (e.g. the Guarantee) by Glencore Schweiz and/or GIAG (as applicable) is requested. In addition, the performance of Up-stream/Cross-stream Obligations may require further corporate action by Glencore Schweiz or GIAG (as applicable) to be completed prior to payment, including, but not limited to, obtaining shareholders' resolutions and board resolutions approving payment.

Furthermore, the enforcement of Glencore Schweiz and GIAG's Up-stream/Cross-stream Obligations may give rise to Swiss Withholding Taxes (of up to 35 per cent. at current rates, subject to applicable double-taxation treaties) to the extent that the payment or enforcement of such Up-stream/Cross-stream Obligations have to be regarded as a deemed dividend distribution. Under Swiss law, the obligation to gross-up, indemnify or otherwise

hold harmless the beneficiaries for the deduction of Swiss Withholding Tax is not valid and, thus, may prejudice the enforceability of anything to the contrary contained in the Notes, the Guarantees, the Indenture or any other document or agreement. In addition, the obligation to gross-up, indemnify or otherwise hold harmless the beneficiaries for the deduction of Swiss Withholding Tax in connection with the performance of Up-stream/Cross-stream Obligations assumed by Glencore Schweiz or GIAG would in any case be limited by the amount of the freely distributable equity of Glencore Schweiz and/or GIAG as set-out above.

***A Noteholder may have difficulty enforcing U.S. bankruptcy laws and its rights as a creditor may be limited under the bankruptcy laws of certain jurisdictions.***

Under bankruptcy laws in the United States, courts have jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside the United States may not recognise the U.S. bankruptcy court's jurisdiction. Accordingly, there may be difficulty administering a U.S. bankruptcy case involving the Issuer or a Guarantor, because property is located outside of the United States. Any orders or judgments of a bankruptcy court in the United States may not be enforceable against the Issuer or a Guarantor with respect to property located outside the United States. Similar difficulties may arise in administering bankruptcy cases in foreign jurisdictions.

Under the relevant Indenture governing the Notes, the rights of Deutsche Trustee Company Limited, as trustee (the "Trustee") to enforce remedies may be significantly impaired if the Issuer or a Guarantor seeks the benefit of the restructuring provisions of applicable bankruptcy, insolvency and other restructuring legislation. For example, legislation may contain provisions enabling an "insolvent person" to obtain a stay of proceedings against its creditors and others, allowing it to retain possession and administration of its property and to prepare and file a proposal or plan of compromise or arrangement for consideration by all or some of its creditors to be voted on by the various classes of its creditors. The restructuring plan or proposal, if accepted by the requisite majorities of creditors and if approved by the court, would likely result in the compromise or extinguishment of a Noteholder's rights under the Notes and may result in the debtor retaining possession and administration of its property notwithstanding that an Event of Default occurred under the Notes.

The powers of the courts in the United States have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, it cannot be predicted whether payments under the Notes would be made following commencement of or during such a proceeding, whether or when the Trustee could exercise its rights under the Indenture, whether Noteholder claims could be compromised or extinguished under such a proceeding or whether and to what extent holders of the Notes would be compensated for delays in payment, if any, or principal and interest.

***Investors may find it difficult to enforce U.S. judgments obtained against the Group or any of its affiliates.***

The Issuer is a company incorporated in Delaware, United States. The Company is a holding company organised as a public limited company incorporated in Jersey with business operations conducted through various subsidiaries. The other Guarantors are companies incorporated in Switzerland. The majority of the Directors and all of the Company's officers reside outside the United States. The assets of the Issuer and the Guarantors are located in various jurisdictions and substantially all of these assets are, and will be, located in jurisdictions outside the United States. The directors and key managers of the Issuer and the Guarantors are citizens of various countries, and most are not citizens of the United States. All or a substantial portion of the assets of such persons are located outside the United States.

As a result, it may not be possible for investors in the Notes to effect service of process in jurisdictions outside the United States against the Issuer, the Guarantors or their respective directors and officers located outside the United States or to enforce in such jurisdictions the judgment of a court outside such jurisdictions. It may be difficult for investors in the Notes to enforce, in original actions or in actions for enforcement brought in

jurisdictions located outside the United States, judgments of U.S. courts or civil liabilities predicated upon U.S. federal securities laws. Furthermore, it may be difficult for investors in the Notes to enforce judgments of this nature in many of jurisdictions in which the Group operates and in which its assets are situated and in the countries of which most of the directors and key managers of the Issuer and the Guarantors are citizens.

There is also doubt as to the enforceability in England and Wales, Jersey and/or Switzerland, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales, Jersey and/or Switzerland.

***There may not be an active trading market for the Notes.***

The Notes will be new securities for which there currently is no established trading market. No assurance can be given that a liquid market will develop for the Notes, that the Notes can be sold at a particular time or that the price received on the sale of the Notes will be favourable.

The Notes are subject to restrictions on transfer, which are described under "Transfer Restrictions". The liquidity of any market for the Notes will depend on a number of factors, including:

- the number of Noteholders;
- the Group's operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market for the Notes; and
- prevailing interest rates.

An active market for the Notes may not develop and, if it develops, it may not continue. Illiquidity may have a severely adverse effect on the market value of Notes.

***The Notes are subject to exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Notes, and the Guarantors will make any payments under the Guarantees, in U.S. dollars. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Noteholder's Currency") other than U.S. dollars. These include a risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Noteholder's Currency) and a risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the U.S. dollar would decrease:

- the Noteholder's Currency-equivalent yield on the Notes;
- the Noteholder's Currency-equivalent value of the principal payable on the Notes; and
- the Noteholder's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Credit ratings may not reflect all risks.***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other

factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain Noteholders are subject to legal investment laws and regulations or review or regulation by certain authorities. Each prospective Noteholder should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## USE OF PROCEEDS

The total net proceeds of the Offering, after deducting underwriting discounts and commissions, are expected to be approximately U.S.$1,689,348,000.

The Group will use the net proceeds of the Offering for general corporate purposes.

## DESCRIPTION OF THE ISSUER AND THE GUARANTORS

### The Issuer (Glencore Funding LLC)

The Issuer was incorporated as a Delaware limited liability company on 11 March 2004 with registration number 06-1551651. The registered office of the Issuer is at 251 Little Falls Drive, Wilmington, Delaware 19808, United States. The Issuer is an indirect wholly owned subsidiary of the Company. The Issuer's principal business is to issue commercial paper, notes and other debt and to lend the proceeds to the Group.

### The Guarantors

#### Glencore plc

For information regarding the Company, please see "*Business*" and "*Directors and Senior Management*".

The Company is a guarantor of a substantial portion of the Group's total indebtedness. For further detail, please see "*Description of Indebtedness*".

#### Glencore International AG

##### *General*

Glencore International AG ("GIAG") was incorporated in Switzerland under Swiss law on 12 June 1987 as a private company limited by shares, and is registered in Switzerland with registration number CHE-106.909.694. The registered office of GIAG is at Baarermattstrasse 3, CH-6340 Baar, Switzerland, and its telephone number is: +41 41 709 2000.

GIAG is a wholly owned subsidiary of the Company.

GIAG is one of the main operating entities of the Group and the direct or indirect holding entity for many of the operating and finance subsidiaries and industrial investments of the Group.

GIAG is a guarantor of a substantial portion of the Group's total indebtedness. For further detail, please see "*Description of Indebtedness*".

GIAG's principal business is to act as one of the main operating companies of the Group, the description and activities of which are set out under "*Business*".

##### *Management*

As of the date of this Offering Circular, the directors of GIAG and their other principal activities outside of the Group were as follows:

| Name | Position | Other Principal Activities |
|---|---|---|
| Ivan Glasenberg | Director | None |
| John Burton | Director | None |
| Steven Kalmin | Director | None |

The business address of each of the directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

As at the date of this Offering Circular, none of the directors of GIAG has any conflict of interest between their duties to GIAG and their private interests and/or other duties.

***Auditors***

Deloitte AG, Zurich, Switzerland has been appointed as statutory auditor to GIAG.

***Financial statements***

GIAG prepares annual non-consolidated audited financial statements in accordance with Swiss GAAP only.

***Financial year***

The financial year end of GIAG is 31 December.

**Glencore (Schweiz) AG**

***General***

Glencore (Schweiz) AG ("Glencore Schweiz") was incorporated under the name of Revolution AG in Switzerland under Swiss law on 21 December 2001 as a private company limited by shares, and is registered in Switzerland with registered number CHE-109.435.971. On 27 February 2002, it was renamed Xstrata (Schweiz) AG, and, on 7 November 2013, as part of a general corporate reorganisation following the Acquisition, Xstrata (Schweiz) AG was renamed Glencore (Schweiz) AG. The registered office of Glencore Schweiz is c/o Glencore International AG, Baarermattstrasse 3, CH-6341 Baar, Switzerland, and its telephone number is: +41 41 709 2000.

Glencore Schweiz is an indirect wholly owned subsidiary of the Company.

Glencore Schweiz is the direct or indirect holding entity for the majority of legacy Xstrata entities. While the purpose of Glencore Schweiz is mainly to act as a holding company it also participates in financing activities and is a guarantor of a substantial portion of the Group's total indebtedness.

***Management***

As of the date of this Offering Circular, the officers of Glencore Schweiz and their principal activities outside the Group were as follows:

| Name | Position | Other Principal Activities |
|---|---|---|
| John Burton | Director | None |
| Stephan Huber | Director | None |
| Martin Häring | Director | None |
| Carlos Perezagua | Director | None |

The business address of the directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

As at the date of this Offering Circular, none of the directors of Glencore Schweiz has any conflict of interest between their duties to Glencore Schweiz and their private interests and/or other duties.

***Auditors***

Deloitte AG, Zurich, Switzerland is the statutory auditor to Glencore Schweiz.

***Financial statements***

Glencore Schweiz prepares annual non-consolidated audited financial statements in accordance with Swiss GAAP only.

***Financial year***

The financial year end of Glencore Schweiz is 31 December.

# BUSINESS

## Overview

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third-party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprises around 150 mining and metallurgical sites and oil production assets. The Group's growth prospects are underpinned by a significant industrial base, which, in turn, enhances marketing opportunities. The Group produces and markets a diverse range of metals and minerals, including copper, cobalt, zinc, nickel and ferroalloys, and also markets aluminium/alumina and iron ore from third parties. With regard to energy products, the Group is a large producer and marketer of coal, with mines in Australia, South Africa and Colombia, while its oil business is one of the leading marketers of crude oil, refined products and natural gas.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality products on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value-added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

In 2019, the Group reorganised its business segments to reflect changes in its reporting and accountability structures following the creation of a new position, the Head of Industrial Assets, with oversight and responsibility for all of the Group's industrial assets. The Group now operates two business segments: industrial activities (reporting to the Head of Industrial Assets) and marketing activities (reporting to the Head of Marketing, being the Group's CEO). Prior to 2019, the Group had been organised into three business segments around its commodities: metals and minerals, energy products and agricultural products.

Historically, the Group has grown both organically and through acquisitions. The Group continues to evaluate opportunities on an ongoing basis in relation to its business, including, among others, mergers, acquisitions, disposals, joint ventures and off-take arrangements.

The Group's consolidated revenue for the years ended 31 December 2020, 2019 and 2018 was U.S.$142,338 million, U.S.$215,111 million and U.S.$220,524 million, respectively. Its loss for the year was U.S.$3,946 million and U.S.$1,506 million for the years ended 31 December 2020 and 2019, respectively, and its income for the year was U.S.$2,616 million for the year ended 31 December 2018. The Group's total assets were U.S.$118,000 million, U.S.$124,076 million and U.S.$128,672 million as at 31 December 2020, 2019 and 2018, respectively.

The Company's ordinary shares are traded on the London Stock Exchange and the Johannesburg Stock Exchange. The Company is a member of the FTSE 100.

The Group's industrial and marketing investment activities are supported by a global network of offices located in over 35 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. The Group's main offices include Baar (Switzerland), New York, London, Beijing, Moscow,

Toronto, Johannesburg, Sydney and Singapore. This network provides the Group with significant worldwide investment origination and sourcing and distribution capabilities.

The Group's two business segments focus on the following activities, for both metals and minerals and energy products:

- The industrial activities business segment focuses on controlled and non-controlled industrial assets, overall business diversification and investment opportunities, as well as providing a source of physical commodities for the Group's marketing activities business segment.
- The marketing activities business segment focuses on sourcing a diversified range of physical commodities from third-party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value-added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end-users, many of whom are long-term customers.

Following the change in reporting structure, each of the industrial activities and marketing activities business segments covers the Group's main commodity divisions: metals and minerals and energy products. The metals and minerals division produces and markets a diverse range of metals and minerals, including copper, cobalt, zinc, nickel and ferroalloys, and also markets aluminium/alumina and iron ore from third parties. The Group's activities are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations. The Group's energy products are primarily coal and oil, and the Group has extensive ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities. The Group's activities related to agricultural products are operated through Viterra, a joint venture in which the Group has a 49.9 per cent. ownership interest and are now reported through the marketing activities business segment within "corporate and other" activities.

## History

Glencore's business commenced in 1974 (previously known as Marc Rich + Co AG) and initially focused on the physical marketing of ferrous and non-ferrous metals and minerals and crude oil, and shortly thereafter expanded into oil products, later adding coal.

Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27 per cent. of the Mt. Holly aluminium smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7 per cent. interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout. The Company's shares were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the Hong Kong Stock Exchange in May 2011. On 2 May 2013, Glencore completed the acquisition of Xstrata.

The Company's shares were admitted to trading on the Johannesburg Stock Exchange in November 2013. Due to low trading volumes, the Company chose to delist its shares from the Hong Kong Stock Exchange in January 2018.

## Competitive Strengths

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically integrated producers, processors and marketers of natural resources. The Group's key competitive strengths include:

***Wide diversification by commodity, geography and activity***

As a major producer and marketer of over 60 commodities, the Group benefits from economies of scale and commodity and geographic diversity. The Group's industrial and marketing investment activities are supported by a global network of offices located in over 35 countries and the Group's portfolio of diversified industrial assets comprises around 150 mining and metallurgical sites and oil production assets. The Group's presence at each stage of the commodity chain, from mine to customer, provides it with superior market insight and access to opportunities. These factors, along with its established footprint in emerging markets for natural resource investment, including Africa, Kazakhstan and South America, as both an operator and provider of marketing and logistic services to new producers, provide the Group with substantial optionality and strategic flexibility.

The Group's 60 distinct commodities include various grades, blends and products within each commodity department. The Group has, for many years, developed and built upon its expertise in these commodities, cultivating long-term relationships with a broad supplier and customer base across diverse industries and geographic regions. Part of the Group's geographic diversity is built on its willingness to invest in geographies and markets in which some of its competitors have historically avoided or been slower to enter.

***A major supplier of energy and mobility transition materials***

Commodity differentiation is increasingly important and the Group's commodity mix is becoming less dependent on demand generated by infrastructure related investment in developing markets. The Group believes future demand patterns are likely to favour the commodities that facilitate the accelerating move towards electrification of energy supply. For example, increasing electric vehicle adoption, for which there is growing support at policy level including through the activities of the multi-government Electric Vehicle Initiative, requires an energy and mobility transformation. The Group is a major producer of the enabling commodities (copper, cobalt, nickel and vanadium) that underpin the battery chemistry and infrastructure likely to power electric vehicles and energy storage systems.

***Portfolio containing well-capitalised, low-cost and high-return assets***

The Group has a leading portfolio of well-capitalised, low-cost and high-return industrial assets and has interests in many high-quality assets (including Hail Creek, which produces metallurgical coal, the Collahuasi and Antamina joint ventures, which are large-scale and low-cost copper concentrate producers, and Katanga, which has significant high-grade copper and cobalt reserves). Spread across the Group's commodity departments, the Group has invested and continues to invest significantly in this portfolio of assets in key commodities that have embedded mine-life extension potential. The Group's major industrial assets are mainly long life and low cost, reflecting the substantial investment into existing assets as well as the Group's appetite, capabilities and belief in commodities and geographies where its peers are not present. The Group's industrial activities focus on controlling costs and generating sustainable operating and capital efficiencies.

***A unique marketing business that extracts value across the entire supply chain***

The Group is an established marketer of commodities and has, over a period of many years, built a strong market reputation as a reliable supplier of quality products on a timely basis. In doing so, the Group has developed extensive market knowledge and insight, as well as the full logistics capabilities required to generate value-added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's provision of value-added services includes shipping, logistics, transportation, storage, risk management and marketing to producers and consumers of commodities, as well as arranging working capital and capital

expenditure financing for its suppliers and customers, generally secured by future physical commodity flows and/or other assets.

***A conviction to create value***

The Group's capital allocation framework seeks to balance preservation of capital structure with attractive business reinvestment and growth opportunities and shareholder returns. The Group seeks to create value for shareholders through partnerships, M&A and brownfield investment. The Group is a fully integrated natural resource group with its extensive industrial asset base being an important component of its physical sourcing strategy for its marketing activities. Being fully integrated provides a competitive advantage over most of its marketing peers which are substantially less vertically integrated (both upstream and downstream) and are less able to establish the strong supply relationships that the Group enjoys. The Group's presence at each stage of the commodity chain also provides it with market insight and access to opportunities as well as with other advantages such as information, technical expertise and local presence. The Group believes it has a unique ability to source and structure deals using its trading and strategic relationships. The Group will continue to identify investment opportunities in which value can be created through the application of its market knowledge and operational and technical know-how. Similarly, the Group evaluates disposals of certain investments from time to time, particularly when they are no longer deemed to support core business and/or when attractive selling opportunities arise.

## Strategy

The Group's purpose is to responsibly source the commodities that advance everyday life. Its strategic objective is to sustainably grow total shareholder return while maintaining a strong investment grade rating and acting as a responsible operator. The Group's key strategic priorities include:

***Responsible production and supply***

The Group believes that by maintaining its commitment to operating transparently and responsibly and its reputation for doing so, it will be seen by its stakeholders as a partner of choice. It places the highest priority on its employees, the environment and local communities where it operates. The Group takes a broad approach to employee welfare and takes its health and safety record very seriously, with substantial resources and focus committed to this area. The Group has implemented an enhanced fatality reduction programme, including focused reviews of underperforming sites, safety interventions where necessary, restructuring of support functions and enhanced review processes. The Group has overhauled the "SafeWork" programme, its initiative to change attitudes towards safety across the Group, with a view to relaunching it in 2021.

The Group demands high environmental performance and standards from its controlled operations and, while executing marketing logistics activities, works with its partners and suppliers to seek to ensure similar standards are targeted within the supply chain, as well as expected from its non-controlled operations. As one of the world's largest diversified resource companies, the Group recognises its responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising its own operational emissions footprint. The Group takes a holistic approach by considering its commitments through the lens of its total emissions footprint. In line with the ambitions of the 1.5 degree Celsius scenarios set out by the Intergovernmental Panel on Climate Change, the Group targets a 40 per cent. reduction of its total (Scope 1, 2 and 3) emissions by 2035 compared to a 2019 baseline and targets achieving net-zero emissions by 2050.

To meet the growing needs of a low carbon economy, the Group is committed to an increased focus on the production of commodities essential to the energy and mobility transition and to limit its coal production below approximately 150 million tonnes per year. The Group works with global specialists and draws on local expertise within its operational teams to identify value accretive abatement opportunities to further reduce its

carbon footprint. The Group intends to responsibly steward the decline of its coal business as it meets society's needs through the energy transition.

Regarding local communities, the Group consults with and invests in the local communities where it operates. The Group has adopted an approach of continuous improvement, delivered through its health and safety programmes, advancing its environmental performance, respecting human rights and developing, maintaining and strengthening its relationships with all stakeholders.

***Responsible portfolio management***

The Group intends to continue its focus on cost control and operational efficiencies at its controlled industrial assets and maintain a focus on the sourcing of competitively priced physical commodities from reliable third-party suppliers. The Group seeks to increase the value of its business by improving the competitiveness of its assets through an ongoing focus on cost management and logistical capabilities, including operating safely and efficiently. The Group takes a disciplined approach towards its assets and evaluates opportunities for acquisition, development or disposal where assets no longer support core businesses or where another operator places greater value on the asset, and production curtailment in response to oversupply. The Group intends to prioritise investment in transition commodities and value accretive Scope 1 and 2 abatement opportunities to help achieve the goals of the Paris Agreement over the medium-term; and the ambition, with a supportive policy environment, to be a net-zero emissions company by 2050.

The Group intends to continue to seek to manage its financial position around maintaining its investment grade credit ratings, healthy levels of liquidity and a suitable capital structure, which should enable it to continue accessing bank and international debt capital markets on competitive terms. The Group believes that it is well placed to withstand the cyclical nature of the natural resource industry and maintain a flexible balance sheet. The Group aims to only deploy capital when strict and clearly defined financial criteria, relating to returns and payback, can be met. The Group is committed to maintaining a balance sheet that is capable of supporting growth while targeting a maximum net debt to Adjusted EBITDA ratio of two times, which it believes is consistent with a BBB/Baa credit rating. Given current levels of operating cash flow, the Group plans to reduce its net debt below the middle of its U.S.$10 billion to U.S.$16 billion target range in 2021, which should see its net debt to Adjusted EBITDA ratio closer to 1:1 by the end of 2021.

***Responsible product use***

A low-carbon future requires responsibly produced and sourced low-carbon metals. The Group intends to continue to seek opportunities to increase the proportion of green metals it can supply to customers from its own industrial activities and its extensive marketing activities.

The Group became a member of the Fair Cobalt Alliance ("FCA") in 2020, through which it supports legitimate artisanal and small-scale mining ("ASM") cooperatives in their endeavours to transform their practices and align with international human rights standards, particularly in the prevention of child labour. As a member of the Responsible Initiative, we also participate in programmes to develop frameworks and standards that support responsible ASM.

The Group will continue to participate in global efforts to improve abatement technologies and resource use efficiency by contributing to the circular economy. The Group intends to leverage its value chain to expand the volume of recyclable commodities for processing through its global network of metallurgical assets and to pursue strategic, long-term agreements to provide a reliable supply of responsibly sourced commodities essential to the low-carbon economy.

## Industrial Activities

The industrial activities business segment includes the Group's industrial assets, predominantly mines and smelters. The industrial activities are exposed directly to commodity price movements, including transactions with the marketing segment. In the year ended 31 December 2020, industrial activities accounted for U.S.$7,828 million, or 67.7 per cent., of the Group's Adjusted EBITDA. In the year ended 31 December 2019, industrial activities accounted for U.S.$8,964 million, or 77.3 per cent., of the Group's Adjusted EBITDA.

Any decision to acquire or dispose of an industrial asset is based on the stand-alone potential of the asset and its potential contribution to the Group's marketing activities and requires the appropriate level of approval. The Group requires its industrial assets to focus primarily on operating performance – costs, project delivery and health, safety and environmental performance, which those businesses can largely control and influence, leaving the marketing arm to handle marketing and distribution activities as part of an integrated global system.

The Board continues to review the Group's industrial asset portfolio, project pipeline and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

### *Metals and Minerals*

The Group's metals and minerals industrial assets produce commodities including copper, cobalt, zinc, nickel, ferroalloys, gold and silver. The Group organises its assets by the principal commodities produced at the asset, primarily: copper, zinc, nickel and ferroalloys. While the Group also has aluminium and iron ore departments, neither department currently controls producing assets of any scale. The table below shows the Group's production information for all metals and minerals, by commodity for the periods indicated. The production information set out below for each department reflects that a given asset may also produce smaller quantities of other commodities as by-products.

| | For the year ended 31 December | | |
|---|---|---|---|
| **Total Production from Own Sources[(1)]** | **2018** | **2019** | **2020** |
| Copper (*kt*) | 1,453.7 | 1,371.2 | 1,258.1 |
| Cobalt (*kt*) | 42.2 | 46.3 | 27.4 |
| Zinc (*kt*) | 1,068.1 | 1,077.5 | 1,170.4 |
| Lead (*kt*) | 273.3 | 280.0 | 259.4 |
| Nickel (kt) | 123.8 | 120.6 | 110.2 |
| Gold (*koz*) | 1,003 | 886 | 916 |
| Silver (*koz*) | 34,880 | 32,018 | 32,766 |
| Ferrochrome (*kt*) | 1,580 | 1,438 | 1,029 |

Note:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis except for joint ventures, where the Group's attributable share of production is included.

For more detailed information on the Group's production, see the Group Production Report incorporated by reference herein.

*Copper*

The table below shows the copper department's principal investments in industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| **African Copper (Katanga, Mutanda, Mopani)** | | | | |
| Katanga[(1)] | DRC | Copper, Cobalt | 100.0% | — |
| Mutanda | DRC | Copper, Cobalt | 100.0% | — |
| Mopani[(2)] | Zambia | Copper | 73.1% | 16.9% First Quantum Minerals Ltd.; 10% ZCCM Investment Holdings Plc |
| **Chile** | | | | |
| Collahuasi | Chile | Copper, Silver | 44% | 44% Anglo American; 12% Japanese consortium headed by Mitsui & Co. Ltd. |
| **Peru** | | | | |
| Antamina | Peru | Copper, Zinc, Silver | 33.75% | 33.75% BHP; 22.5% Teck Resources Ltd.; 10% Mitsubishi Corporation |
| **Other South American** | | | | |
| Lomas Bayas | Chile | Copper | 100% | — |
| Antapaccay | Peru | Copper, Gold, Silver | 100% | — |
| **Australia** | | | | |
| Mount Isa mine and Townsville | Australia | Copper, Gold, Silver | 100% | — |
| Ernest Henry | Australia | Copper, Gold, Silver | 70% | 30% Evolution Mining (Aurum) Pty Limited |
| Cobar | Australia | Copper, Silver | 100% | — |

Notes:

(1) Katanga's main operating company, Kamoto Copper Company SARL ("KCC"), is owned 75 per cent. by Katanga and 25 per cent. by La Générale des Carrières et des Mines ("Gécamines").

(2) In January 2021, the Group agreed to sell its interest in Mopani to ZCCM Investments Holding plc ("ZCCM").

The table below shows the copper department's production data for each of its principal commodities for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| Copper[(1)] (*kt*) | 1,316.4 | 1,241.2 | 1,150.2 |
| Cobalt (*kt*) | 38.4 | 42.2 | 23.9 |
| Zinc[(2)] (*kt*) | 138.1 | 102.4 | 142.4 |
| Gold (*koz*) | 330 | 223 | 236 |
| Silver (*koz*) | 11,915 | 11,120 | 12,065 |

Notes:

(1) This includes the Group's pro rata share of Collahuasi production (44 per cent.) and Antamina production (33.75 per cent.).

(2) This includes the Group's pro rata share of Antamina production (33.75 per cent.).

The copper department's copper production in the year ended 31 December 2020 fell 7 per cent. from the year ended 31 December 2019, primarily as a result of Mutanda being on care and maintenance, expected lower grades at Antapaccay and the short-term impact of Antamina's COVID-19 related demobilisation/remobilisation, partly offset by Katanga's successful ramp-up and stronger milling throughput at Collahuasi.

The copper department's copper production in 2019 fell 6 per cent. from 2018, with approximately half of the decrease attributable to the African copper assets, with Mutanda's scaling back and subsequent temporary care and maintenance, and Mopani's extensive smelter refurbishment shutdown partially offset by Katanga's ramp-up. The remainder of the decrease was primarily attributable to relatively minor portfolio changes and maintenance.

*African Copper*

Katanga is ramping up operations towards nameplate capacity of approximately 300kt per year in 2021. Copper production has increased from 152kt in 2018 to 235kt in 2019 and to 271kt in 2020.

On 6 November 2018, Katanga announced that KCC had temporarily suspended the export and sale of cobalt at KCC due to the presence of uranium detected in the cobalt hydroxide it produces at levels that exceed the acceptable limit allowed for the export of the product through the main African ports to customers. As a result of subsequent changes to the production process, the majority of Katanga's production in the second half of 2019 was in compliance with applicable regulations, and the temporary suspension was lifted. The low levels of radioactivity detected in the uranium to date do not present a health and safety risk. Katanga is reprocessing the accumulated stockpile in 2020 and 2021 to produce cobalt that complies with applicable regulations.

Over a number of years, the Group has contributed to a power project in which Katanga and Mutanda entered into an agreement with Société Nationale d'Électricité ("SNEL"), the DRC's national electricity company, to refurbish DRC power generating, transmission and distribution systems. This project facilitated a progressive increase in power availability for the operations to a total of 400 MW through the refurbishment of two turbines at the Inga dam. Funding for the project is due to be completed in the first quarter of 2021. The investment in this project is being repaid through credits on Katanga's and Mutanda's power costs.

In December 2019, KCC, entered into an agreement with Gécamines, to acquire from Gécamines a comprehensive land package covering areas adjacent to KCC's existing mining concessions for up to U.S.$250

million. The land includes multiple blocks for construction of a new long-term tailings facility and the possible exploitation of additional resources that will enhance KCC's ability to more efficiently operate its mines, facilities and other key infrastructure requirements. In August 2020, a prepayment of U.S.$150 million was made, with the balance to be paid as title transfer to the various parcels of land has occurred.

In June 2020, the Group completed the acquisition of the remaining shares in Katanga that it did not already own. Katanga became a wholly owned subsidiary and was delisted from the Toronto Stock Exchange.

In January 2021, Glencore agreed to sell its controlling interest in Mopani to ZCCM and the sale was completed in March 2021. Mopani has been historically funded by borrowings from the Group and U.S.$1.5 billion of debt remains owed by Mopani to the Group. The pace and size of repayment instalments are linked to Mopani's future production and copper prices.. The Group has retained offtake rights in respect of Mopani's copper production until the debt has been repaid in full.

*South America*

In 2015 and 2016, the Group entered into various long-term streaming agreements for the future delivery of gold and/or silver produced over the life of mine from its Antamina, Antapaccay and Ernest Henry operations in exchange for an upfront prepayment and, for Antamina and Antapaccay, an ongoing amount equal to 20 per cent. of the spot silver and gold price. Once certain delivery thresholds have been met at Antapaccay, the ongoing cash payment increases to 30 per cent. of the spot gold and silver prices.

In December 2020, Glencore disposed of its 50 per cent. interest in Minera Alumbrera Limited, a copper-gold operation in Argentina, in return for a 25 per cent. interest in Minera Agua Rica Alumbrera Limited. Going forward, the integrated project will be known as the MARA Project. Located in Argentina's Catamarca province, the project will create significant synergies by allowing Alumbrera's existing infrastructure to be used for processing ore from the future open pit mine at Agua Rica.

The Group also has a portfolio of copper development projects. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

*Zinc*

The table below shows the zinc department's principal investments in industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| **Kazzinc** | Kazakhstan | Zinc, Lead, Copper, Gold, Silver | 69.7% | 29.8% Samruk-Kazyna<br>0.5% privately held |
| **Australia** | | | | |
| Mount Isa | Australia | Zinc, Lead, Silver | 100% | — |
| McArthur River | Australia | Zinc, Lead, Silver | 100% | — |
| **North America** | | | | |
| Matagami | Canada | Zinc, Copper | 100% | — |
| Kidd | Canada | Zinc, Copper, Silver | 100% | — |
| **Other Zinc: South America** | | | | |
| Aguilar | Argentina | Zinc, Lead | 100% | — |

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| Los Quenuales | Peru | Zinc, Lead, Copper | 97.6% | 2.4% privately held |
| Sinchi Wayra | Bolivia | Zinc, Lead | 100% | — |
| Illapa[(1)] | Bolivia | Zinc, Lead | 100% | — |
| Volcan | Peru | Zinc, Silver | 23.3% | 76.7% publicly traded |

Note:

(1) The Group owns 100 per cent. of Illapa, a company that has a 45:55 joint venture agreement with the government of Bolivia and operates two mines, Bolivar and Porco.

The table below shows the zinc department's production data for each of its principal commodities (excluding Volcan) for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | 2018 | 2019 | 2020 |
| Zinc (*kt*) | 930.0 | 975.1 | 1,028.0 |
| Lead (*kt*) | 273.3 | 280.0 | 259.4 |
| Copper (*kt*) | 95.9 | 85.8 | 79.3 |
| Gold (*koz*) | 643 | 634 | 659 |
| Silver (*koz*) | 22,501 | 20,391 | 20,362 |

The zinc department's zinc production in the year ended 31 December 2020 rose 5 per cent. compared to the year ended 31 December 2019, reflecting improved throughput at the Mount Isa operations and the restart of the short-life Iscayruz mine in Peru, offset by the various temporary COVID-19 related suspensions and shutdowns.

The zinc department's zinc production in 2019 was in line with 2018, reflecting the effects of stronger production from mine restarts in Australia and Peru, largely offset by reduced production at Kazzinc for safety reasons.

Prior to COVID-19, the only significant suspension in the review period at the Group's zinc assets was at the Lady Loretta mine at Mount Isa, where production was suspended in October 2015 until the first half of 2018.

The Group also has a portfolio of zinc development projects. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

*Custom metallurgical*

The copper and zinc departments operate smelters that process the Group's own mined production and other customers' feedstocks. The table below shows the principal industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| **Copper** | | | | |
| Altonorte | Chile | Copper anode | 100% | — |
| Pasar | Philippines | Copper metal | 78.2% | 21.8% local investors |
| Horne | Canada | Copper anode | 100% | — |
| CCR | Canada | Copper metal | 100% | — |
| **Zinc** | | | | |
| Portovesme | Italy | Zinc, Lead, Silver | 100% | — |
| Asturiana (San Juan de Nieva) | Spain | Zinc | 100% | — |
| Nordenham | Germany | Zinc | 100% | — |
| Britannia Refined Metals (Northfleet) | United Kingdom | Lead, Silver | 100% | — |

The table below shows custom metallurgical production data for each of the Group's principal commodities for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| Copper metal (*kt*) | 438.8 | 432.9 | 482.6 |
| Copper anode (*kt*) | 479.3 | 510.7 | 490.1 |
| Zinc (*kt*) | 799.6 | 805.7 | 787.2 |
| Lead (*kt*) | 186.3 | 190.5 | 198.0 |

Zinc production in the year ended 31 December 2020 was 2 per cent. lower than in the year ended 31 December 2019. Lead production in the year ended 31 December 2020 was in line with the year ended 31 December 2019. The Group's copper metal production in the year ended 31 December 2020 was 11 per cent. higher than in the year ended 31 December 2019, mainly reflecting stronger operations at CCR and Pasar. The Group's copper anode production in the year ended 31 December 2020 was 4 per cent. lower than in the year ended 31 December 2019, mainly reflecting planned maintenance shutdowns at Altonorte and Horne.

Smelting capacity has been broadly stable over the year, with changes mainly reflecting plant shutdowns ("turnarounds") for major maintenance, which typically occur on a two to four-year cycle. Copper metal, zinc and lead production in 2019 were all broadly in line with 2018. The Group's copper anode production in 2019 was 7 per cent. higher than in 2018, mainly reflecting Altonorte's plant turnaround in that year.

*Nickel*

The table below shows the nickel department's principal investments in industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| Integrated Nickel Operations (Subdury, Raglan, Nikkelverk) | Canada, Norway | Nickel, Copper, Cobalt, Gold, Silver, Platinum, Palladium, Rhodium | 100% | — |
| Australia (Murrin) | Australia | Nickel, Cobalt | 100% | — |
| Koniambo[(1)] | New Caledonia | Nickel | 49% | 51% Société Minière du Sud Pacifique (SMSP) |

Note:

(1) The Group has control of Koniambo as a result of the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the financing arrangements underlying the Koniambo project.

The table below shows the nickel department's production data for each of its principal commodities for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | 2018 | 2019 | 2020 |
| Nickel (*kt*) | 123.8 | 120.6 | 110.2 |
| Copper (*kt*) | 41.4 | 44.2 | 28.6 |
| Cobalt (*kt*) | 3.8 | 4.1 | 3.5 |
| Gold (*koz*) | 29 | 29 | 21 |
| Silver (*koz*) | 464 | 507 | 339 |
| Platinum (*koz*) | 58 | 51 | 40 |
| Palladium (*koz*) | 119 | 112 | 101 |
| Rhodium (*koz*) | 4 | 4 | 4 |

The nickel department's nickel production in the year ended 31 December 2020 fell 9 per cent. from the year ended 31 December 2019, mainly reflecting Koniambo operating as a single-line operation for the majority of 2020 and the expected decline in grades at the Sudbury mines. At Koniambo, one of the two furnaces was undergoing annual maintenance when COVID-19 restrictions were introduced in March. The restrictions on movement of staff and contractors resulted in this shutdown being prolonged. The furnace was recommissioned in October 2020. The second furnace was closed for its own maintenance in 2021, with recommissioning expected in March 2021.

The nickel department's nickel production in 2019 was 3 per cent. lower than 2018, mainly reflecting a number of maintenance stoppages at Koniambo, particularly in the first half of the year.

*Ferroalloys*

The table below shows the ferroalloys department's principal investments in industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| Glencore Merafe Chrome Venture[1] | South Africa | Ferrochrome | 79.5% | 20.5% Merafe Resources Limited |
| Rhovan Pooling and Sharing Joint Venture[2] | South Africa | Vanadium Pentoxide | 74% | 26% Bakwena-Ba-Mogopa |

Notes:

(1) In addition to the 79.5 per cent. ownership interest in Glencore Merafe Chrome Venture, the Group has a 29 per cent. interest in Merafe Resources Limited.

(2) Consolidated 100 per cent.

The table below shows the ferroalloys department's production data for each of its principal commodities for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | 2018 | 2019 | 2020 |
| Ferrochrome[1] (*kt*) | 1,580 | 1,438 | 1,029 |
| Vanadium Pentoxide (*mlb*) | 20.2 | 20.2 | 19.5 |

Note:

(1) The Group's attributable 79.5 per cent. share of the Glencore Merafe Chrome Venture.

The ferroalloys department's ferrochrome production in the year ended 31 December 2020 was 28 per cent. lower than the year ended 31 December 2019, mainly due to the South African COVID-19 national lockdown during March and April. The Lydenburg smelter was placed on extended care and maintenance in February 2020. Smelting operations partly resumed on 1 May 2020, and were ramped up later in the year. By the fourth quarter of 2020, four smelters were operational.

The ferroalloys department's ferrochrome production in 2019 was 9 per cent. lower than 2018, mainly reflecting additional maintenance days taken opportunistically in the third quarter of 2019 during a period of high energy costs and low selling prices. Vanadium pentoxide production was in line with 2018.

The Group is one of the world's largest and lowest cost integrated ferrochrome producers and one of the largest producers of primary vanadium. The Group also owns carbon operations which supply key raw materials to its ferrochrome smelting operations. The Glencore Merafe Chrome Venture manages five chrome mines and associated chromite ore processing plants, and five smelter complexes (including Lydenburg, currently on care and maintenance).

The Group's ferrochrome smelting operations require large amounts of electrical energy, and is supplied with electricity by Eskom, the South African national electricity utility rather than having captive power assets. Certain of the Group's smelters have electrical-energy efficient proprietary technology, which positions them lower on the cost curve. During any periods of tight supply, the Group participates in Eskom's Demand Management Programmes to manage and control the impact of restricted electricity supplies on its operations.

The Group previously owned certain platinum group metals mining and processing assets, and manganese processing assets, each of which was sold in 2018. Along with its joint venture partner, the Group is currently developing a manganese mine in South Africa with first ore expected later in 2021.

*Aluminium/Alumina*

The Group has an approximately 47 per cent. economic interest (comprising voting and non-voting interests) in Century Aluminum, a company listed on the NASDAQ with aluminium smelting operations principally in the U.S. and Iceland. The Group does not have control of Century Aluminum, which is accounted for as an associate.

*Iron ore*

The Group has interests in certain undeveloped projects in Mauritania and the Republic of Congo (Brazzaville). The Group continues to review these projects and planned capital expenditures in consideration of relevant factors, including market conditions and the Group's overall financial targets.

***Energy Products***

The Group's energy products industrial assets include extensive ownership interests in controlled and non-controlled coal mining and oil production operations, primarily relating to thermal coal, coking coal, crude oil and oil products. The Group has organised its assets into two departments: coal and oil. The total production information for each department is provided in the discussion below. For more detailed information on the production of these assets, see the Group Production Report incorporated by reference herein.

*Coal*

The table below shows the coal department's principal investments in operating industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| **Australia coking coal** | | | | |
| Oaky Creek | Australia | Coking coal | 55% | 25% Sumitomo<br>20% Itochu |
| Newlands | Australia | Coking coal | 100% | — |
| Collinsville | Australia | Coking coal | 100% | — |
| Integra | Australia | Semi-hard coking coal | 100% | — |
| Hail Creek | Australia | Coking & thermal coal | 84.7% | 12.0% Marubeni<br>3.3% Sumitomo |
| **Australia thermal coal and semi-soft coking coal** | | | | |
| Bulga complex[(1)] | Australia | Thermal coal & semi-soft coking coal | 72.6% | 13.3% JX Nippon Oil<br>1.6% JFE Shoji<br>12.5% Nippon Steel Corporation |
| Liddell | Australia | Thermal coal | 67.5% | 32.5% Mitsui Matsushima |
| Mount Owen complex | Australia | Thermal coal & semi-soft coking coal | 100% | — |
| Ulan | Australia | Thermal coal | 100% | — |

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| Ravensworth North | Australia | Thermal & semi-soft coking coal | 90% | 10% Itochu |
| Mangoola | Australia | Thermal coal | 100% | — |
| Newlands | Australia | Thermal coal | 100% | — |
| Collinsville | Australia | Thermal coal | 100% | — |
| Rolleston[(2)] | Australia | Thermal coal | 75% | 12.5% Winfield Energy<br>12.5% Sumitomo |
| Hunter Valley Operations | Australia | Thermal coal | 49% | 51% Yancoal |
| **South Africa thermal coal** | | | | |
| Tweefontein | South Africa | Thermal coal | 79.8% | 20.2% African Rainbow Minerals |
| iMpunzi | South Africa | Thermal coal | 79.8% | 20.2% African Rainbow Minerals |
| Goedgevonden | South Africa | Thermal coal | 74% | 26% African Rainbow Minerals |
| Izimbiwa Coal[(3)] | South Africa | Coal | 49.9% | 50.1% Phembani Group |
| Umcebo[(4)] | South Africa | Coal | 48.7% | 51.3% Phembani Group |
| **Prodeco (Colombia) thermal coal** | | | | |
| Prodeco | Colombia | Coal | 100% | — |
| **Cerrejón (Colombia) thermal coal** | | | | |
| Cerrejón | Colombia | Thermal coal | 33.3% | 33.3% BHP<br>33.3% Anglo American |

Notes:

(1) In August 2020, the Group acquired Toyota's 4.4 per cent. interest in the Bulga complex for a nominal fee which increased its ownership interest to 72.6 per cent.

(2) In February 2021, the Group entered into an agreement to acquire Winfield Energy's 12.5 per cent. interest in the Rolleston coal mine out of receivership as a secured creditor for A$1.5 million. The transaction is subject to obtaining the necessary regulatory approvals which are expected to be received in 2021.

(3) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Izimbiwa Coal (Pty) Ltd through the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the shareholders agreement.

(4) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Umcebo Mining (Pty) Ltd as a result of shareholder agreements that give the Group the ability to control the board of directors. These production figures exclude the non-controlling interest in Wonderfontein mine (approximately 3 million tonnes per year).

The table below shows the coal department's production data for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| Coal[(1)] (*mt*) ..... | 129.4 | 139.5 | 106.2 |

Note:

(1) This reflects the Group's pro rata share of Cerrejón production (33.3 per cent.).

The Group's coal production in the year ended 31 December 2020 was 24 per cent. lower than in the year ended 31 December 2019, mainly reflecting COVID-19 related asset suspensions or reduced work periods in Colombia and South Africa, extended care and maintenance at Prodeco and market-related supply reduction in Australia in the second half of 2020. Cerrejón's mining operations were suspended in late March 2020 and restarted on a limited basis from early May 2020, before strike action in the second half further restricted production. Accordingly, Cerrejón's attributable production of 4.1 million tonnes was 4.5 million tonnes (52 per cent.) lower than the year ended 31 December 2019.

On 4 February 2021, the Group announced that Prodeco would commence the process of handing its mining contracts back to the Republic of Colombia through the National Mining Agency and that the mines will remain on care and maintenance until the formal process of relinquishing the licenses is complete. The port will continue to operate in line with its obligations as a public service port. Prodeco's key priority is its workforce and local communities. Prodeco will engage with its employees, contractors and host communities on the impact of relinquishing the mining licenses. Prodeco has re-commenced a voluntary redundancy programme which significantly exceeds the statutory requirements under Colombian law. This process will also be supported by a social transition programme for the workforce and the communities surrounding Prodeco's operations.

The Group's coal production in 2019 was 8 per cent. higher than in 2018, mainly reflecting the full-year effects of the acquisitions of the Hunter Valley Operations ("HVO"), acquired in May 2018, and Hail Creek, acquired in August 2018. Prodeco's year over year contribution reflected a period of additional mine development in the base period, while Cerrejón's 2019 production was constrained by dust emissions control requirements.

In May 2018, Glencore completed the acquisition of a 49 per cent. interest in the HVO coal mine in New South Wales and a 9.2 per cent. interest in Port Waratah Coal Terminal from Yancoal Australia Limited ("Yancoal") for a consideration of U.S.$1,231 million. In addition, the Group subscribed for U.S.$300 million of shares in Yancoal's equity raising. The resulting joint venture is jointly controlled by Glencore and Yancoal. The Group is the exclusive marketing agent for HVO coal sales into Japan, South Korea and all other countries excluding China, Taiwan (with certain exclusions), Thailand and Malaysia.

In August 2018, the Group acquired Rio Tinto's 82 per cent. interest in the Hail Creek coal mine and adjacent coal resources, as well as its 71.2 per cent. interest in the Valeria coal resource in central Queensland for total cash consideration of U.S.$1,751 million. The holders of the remaining 18 per cent. of the Hail Creek coal mine had the right to sell their interests to the Group through a "tag along" right, and in January 2019 the Group completed the acquisition of an additional 2.7 per cent. of the mine under these rights for a total consideration of U.S.$38.7 million. The Group also has a portfolio of coal development projects in Australia, South Africa and the Americas. The Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions, the Group's stated positions on climate change, including a commitment to maintaining production below approximately 150 million tonnes per year, and the Group's overall financial targets.

*Oil*

The table below shows the oil department's principal investments in industrial assets and the Group's ownership interest at 31 December 2020:

| Asset | Location | Commodities | Group ownership interest | Remaining ownership interest |
|---|---|---|---|---|
| **Exploration and Production** | | | | |
| **Equatorial Guinea** | | | | |
| Block I | Equatorial Guinea | Oil, condensate and gas | 23.75% | 38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd.; 5.7% Gunvor Resources Limited; 5% Compañía Nacional De Petróleos de Guinea Ecuatorial ("GEPetrol") |
| Block O | Equatorial Guinea | Oil, condensate and gas | 25% | 45% Noble Energy Inc.; 30% GEPetrol |
| **Chad** | | | | |
| Badila | Chad | Oil, condensate and gas | 85% | 15% SHT |
| Mangara | Chad | Oil, condensate and gas | 85% | 15% SHT |
| **Cameroon** | | | | |
| Bolongo | Cameroon | Oil, condensate and gas | 37.5% | 37.5% Perenco 25% SNH |
| **Oil refining** | | | | |
| **South Africa** | | | | |
| Astron Energy South Africa | South Africa | Oil products | 75.0% | 23% OTS 56 2% Astron Employee Share Trust |

The table below shows the oil department's production data for the periods indicated on the basis of the Group's entitlement interest:

| | For the year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| Oil *(kbbl)*..... | 4,626 | 5,518 | 3,944 |

The Group's oil production in the year ended 31 December 2020 was 29 per cent. lower than the year ended 31 December 2019, due to operations in Chad being on care and maintenance since April 2020, partly offset by the new wells drilled in Equatorial Guinea and Cameroon.

The Group's oil production in 2019 was 19 per cent. higher than 2018, mainly reflecting the benefits of the drilling campaign in Chad and first oil from the Bolongo field in Cameroon.

The Group was previously a party to three exploration licences in Chad. These expired in 2019, and the carrying value allocated to them was written off.

The Group also has investments in the Russian upstream market with its partner OAO NK Russneft ("Russneft"), taking ownership interests in a diversified portfolio of oil producing assets. The Group holds a 25 per cent. equity interest in Russneft, which owns and operates a number of oil licences stretching from the Volga river in the west to the Siberian plains in the east.

On 2 July 2020, an incident occurred at the oil refinery operated by Astron Energy during the process to restart the refinery following a lengthy scheduled maintenance shutdown. Two employees died in the incident and certain plant infrastructure at the platformer unit was extensively damaged. Astron Energy holds property damage and business interruption insurance. A repair and restart plan is being carried out.

## Marketing Activities

The marketing activities business segment includes the marketing and distribution of physical commodities sourced from third-party producers and the Group's own production to industrial consumers. In the year ended 31 December 2020, marketing activities accounted for U.S.$3,732 million, or 32.3 per cent., of the Group's Adjusted EBITDA. In the year ended 31 December 2019, marketing activities accounted for U.S.$2,637 million, or 22.7 per cent., of the Group's Adjusted EBITDA.

The Group's marketing activities source a diversified range of physical commodities from third-party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value-added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom the Group has long-term commercial relationships. As a marketer, the Group is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, the Group focuses on maximising returns from the entire supply chain, taking into account its extensive and global third-party supply base, its logistics, risk management and working capital financing capabilities, its extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities and its economies of scale. In contrast, this is not the business model of the Group's industrial competitors, which are generally not set up to exploit the full range of value-added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Many of the physical commodity markets in which the Group operates are geographically dispersed, fragmented and/or periodically volatile. Discrepancies often arise in respect of the prices at which the commodities can be bought or sold in different geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. While the strategies used by the Group's business segments to generate such margin vary from commodity to commodity, the main arbitrage strategies can be described generally as being:

- *Geographic*: where the Group leverages its relationships and production, processing and logistical capabilities in order to source physical commodities from one location and deliver them to another location where such commodities can command a higher price (net of transport and/or other transaction costs);
- *Product-related*: where it is possible to exploit the blending or multi-use characteristics of the particular commodities being marketed, such as the various crude oil products, coal or concentrates, in order to

supply products that attract higher prices than their base constituents, or exploit existing and/or expected price differentials; or

- *Time-related*: where it is possible to exploit a difference between the price of a commodity to be delivered at a future date and the price of a commodity to be delivered immediately, where the available storage, financing and other related costs until the future date are less than the forward pricing difference.

The Group uses market information made available by its industrial and marketing teams across its many locations to identify arbitrage opportunities. The Group's marketing and investment activities and relationships with producers and consumers of raw materials are supported by a global network of offices providing sourcing and distribution capabilities located in over 35 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. This network provides the Group with visibility over shifting supply and demand dynamics in respect of significant volumes of physical commodities across the globe. The detailed information from the Group's widespread operations and close relationships with producers, consumers and logistics providers is available to the Group's marketing operations and often enables them to identify opportunities, taking into account the Group's extensive logistics capabilities, to source and supply physical commodities at attractive margins.

The Group's logistics operations are a key part of its marketing operations as they enable the Group to fulfil its marketing obligations and to maximise arbitrage opportunities created by demand and supply imbalances. Physical sourcing and marketing of commodities requires highly professional handling and shipment of such goods from the supplier to the customer, including storage activities, as required. Typically, the staff handling the physical movement of goods (the "traffic team") account for a significant proportion of the marketing headcount of a business segment. The Group's dedicated chartering teams actively trade freight to gain market knowledge and volume benefits. The freight element of transactions is furthermore used to maintain maximum physical optionality so that full value can be extracted from the underlying commodity positions of each division, thereby complementing the Group's overall ability to seize geographic and time spread arbitrage opportunities as they arise.

***Metals and Minerals***

The marketing activities business segment is involved in the marketing and processing of metals and minerals, including zinc, copper, lead, nickel, cobalt, alumina, primary aluminium, bulk ferroalloys (including ferrochrome and chrome ore, ferromanganese, silicon manganese, manganese ore and ferrosilicon), noble ferroalloys (vanadium and molybdenum products) and iron ore, as well some gold, silver, tin and other by-products such as sulphuric acid. Each metals and minerals commodity department has a global presence, sources commodities from key producing regions and has relationships with consumers in the key consuming countries.

The business benefits via supply from an extensive and geographically diverse portfolio of industrial assets. Supply agreements with third parties, combined with supply from industrial assets, enhance the Group's reputation as a reliable supplier, which is important for customers who are reliant on both timeliness and quality of supply for the continuation of their operations.

Across the metals and minerals market, there is a diversified and geographically dispersed customer base. For the copper and zinc departments, this includes galvanisers, alloy producers, steel and brass mills, rod and wire producers and other fabricators. The customer base for the aluminium/alumina commodity department includes many of the world's major alumina consumers and aluminium consuming industrial groups in the construction, packaging, transport and electronics industries. For the nickel, ferroalloys and iron ore commodity departments, large multinational European, American and Asian businesses across the transportation, carbon, stainless steel and other special steel industries make up a large part of the customer base. The main end uses for cobalt are currently rechargeable batteries, including those for electric vehicles, and super-alloys. The concentrate markets for these commodities have fewer customers (smelters) than the refined metals market. Diversification is larger

for customers than for suppliers, reflecting a greater number of end users for metals and concentrates relative to the number of mines, smelters and refineries which produce them.

Contracts for the commodities marketed by the metals and minerals division are both spot and long-term, with prices negotiated based on prevailing market prices. Long-term contracts are usually one to three years in duration, with pricing terms either linked to industry publication or London Metals Exchange ("LME") prices or negotiated on a periodic basis having regard to prevailing market conditions.

The physical metal trades are generally based on an exchange price plus or minus a premium or discount. A highly liquid paper futures market exists for zinc, copper, lead and nickel metals, which are traded on the LME (zinc, copper, lead and nickel), the Shanghai Futures Exchange ("SHFE") (copper and zinc) and the Commodity Exchange division of the New York Mercantile Exchange ("COMEX") (copper). Silver and gold are traded on the London Bullion Market Association and the COMEX. These exchanges allow the Group's underlying commodity price exposures on physical transactions to be hedged, whether the price is based on an exchange price or a fixed price. If desired, and subject to Group risk limits and policies, they also allow the Group to gain exposure to price risk and spread positions through the use of long and short paper transactions, and to take advantage of arbitrage opportunities. Concentrates are non-fungible products and, consequently, are not directly tradable on an exchange. The Group hedges physical concentrate positions using future contracts for the estimated payable metal contained in the concentrate.

Alumina can only be stored for limited time periods in optimum conditions in order to maintain levels of quality. There is no derivatives exchange for alumina, which restricts the ability to hedge. As such, the Group is unable to adjust its position through a deliverable paper market and the great majority of near-term alumina forward purchase and sale contracts are physically matched. Historically, a level of basis risk arose as alumina refineries would typically sell on the basis of alumina index pricing from certain publications, while aluminium smelters would purchase on a percentage of the LME aluminium price. While such risk has not been eliminated, sales and purchase contracts have recently been closer matched in duration (spot or up to maximum one year) and there has been a mix on both sides of index and percentage pricing. Where possible and desired, the Group hedges its exposure by contracting on a back-to-back basis or, in respect of existing contracts that are priced by reference to the LME aluminium prices, taking hedges against LME aluminium prices.

Primary aluminium is mainly traded on the LME, allowing paper and physical marketing contracts to be entered into with reference to a market price. Aluminium is also traded on the SHFE. This allows positions to be hedged and marked to market, as well as providing a purchaser of last resort. The LME provides information on forward curves, as well as a standardised contract that determines purity levels, delivery dates, weights and forms of the metal. Almost all of the Group's physical aluminium transactions are priced based on the LME price plus/minus a premium/discount. These are usually hedged when originated or priced. The existence of the LME allows the Group to enter into immediate and effective price risk hedges against its positions in physical aluminium. The existence and use of LME approved warehouses allow marketers to manage supply and store the metal while they lock in future prices on the LME. If desired, and subject to Group risk limits and policies, it also allows the Group to gain exposure to price risk and spread positions through the use of long and short paper transactions.

Marketing operations for cobalt, ferroalloys and iron ore principally involve marketing these commodities through physical, as opposed to paper, transactions. While the LME launched trading platforms for cobalt and molybdenum as long ago as 2010, volumes are currently low, and these exchanges are therefore still relatively illiquid and, as a result, there is limited possibility of achieving effective paper hedging through a metals exchange. However, the Group has developed and offers financial products, such as cash-settled swaps, for cobalt and molybdenum as a means of managing the risk in respect of its physical exposures in these commodities. The Group is able to hedge its iron ore price risk through futures contract on the Singapore Exchange Ltd. and Dalian Exchange in China.

Although important, the freight component of final price is not as critical for metals as for bulk dry cargoes (e.g. coal, grains and iron ore) and oil. Freight relating to the commodities marketed is generally chartered through third-party freight brokers on competitive terms, taking into account the Group's scale of activities, both on the spot market and through the longer-term contracts of affreightment.

***Energy Products***

The Group markets energy products such as coal, coke, crude oil and oil products (such as fuel oil, heating oil, gasoline, naphtha, jet fuel, diesel and liquefied petroleum gas). These marketing activities also include the Group's investments in strategic handling, storage and freight equipment and facilities. The Group's energy products are marketed primarily through the Group's offices in London, Baar, New York and Singapore, with key support from a number of other locations, including Beijing, Moscow and Jakarta, in order to take advantage of geographical opportunities. The global teams operate in an integrated manner.

*Coal*

The coal commodity department is involved in the production and marketing of coal and coking coal products. The marketing activities are supported by the Group's large industrial asset portfolio, which provides access to both supply and market information. The Group markets thermal coal and coking coal either on a principal basis, where it takes ownership of the thermal coal and coking coal, or on an agency/advisory basis, pursuant to a marketing agreement.

The main sources of the Group's principal thermal coal purchases are the coal mining companies in South Africa, Russia, Australia, Colombia, the U.S. and Indonesia, accounting for most of the strategically important producing regions. The Group's diversified supply base allows it to better manage the changing and dynamic nature of thermal coal and coking coal demand and supply.

The Group supplies thermal coal and coking coal to a diverse geographic and industrial customer base, including major utilities in Germany, Morocco, Hong Kong, China, India, Japan, Malaysia, Taiwan, South Korea and Vietnam. The Group also sells thermal coal and coking coal to major cement producers, steel mills, chemical plants and other industrial users throughout the world.

While traditionally thermal coal and coking coal has been sold on a physical bilateral basis, without a supporting commodity exchange, in recent years, a sizeable thermal coal and coking coal paper derivatives market has developed, providing a spot and forward market for certain standard thermal coal and coking coal specifications. The Group is able to transact in these markets in order to manage risks in relation to its physical supply of thermal coal and coking coal products.

The Group's thermal coal and coking coal operations employ a specialist freight team located in Baar and Singapore. This team uses its considerable immersion in the seaborne bulk freight market to source competitive freight from third-party owners and carriers. Freight services are also supplied to third parties and are often sourced via joint venture agreements to enhance volume and gain timely market information in relation to industry trade patterns and rate developments.

The timing of procuring freight for own sourced thermal coal and coking coal operations is dictated primarily by physical thermal coal and coking coal sales activities, but also by global freight market dynamics at a point in time and/or forward expectations. Furthermore, geographic and time spreads are taken in order to allow the thermal coal and coking coal team to fully arbitrage relative value opportunities between the various origins and destinations of the underlying commodity. Maximum flexibility and optionality are thus sought to be maintained at all times. The operation manages freight from a combination of voyage and time charter-based contracts, spot market bookings and derivative contracts which are primarily used to hedge physical freight exposure inherent in the overall position.

*Oil*

The oil commodity department comprises marketing operations in crude oil, refined products and freight, supported by access to a wide range of logistics, storage and industrial assets investments. Crude oil represents the most significant product supplied by physical volume. Oil products primarily include mid-distillates, gasoline, residuals, naphtha, liquid petroleum gas, petroleum chemicals products and liquefied natural gas ("LNG").

The Group sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, national oil companies ("NOCs"), independent oil companies, other marketing companies and refineries.

There is a high degree of overlap between the crude oil and oil products customer and supplier base, particularly in respect of the major integrated oil companies.

The Group's significant customers are the major integrated oil companies such as ExxonMobil, Shell, BP and Total, as well as NOCs such as Indian Oil Corporation Ltd, China National Petroleum Corporation and China National Offshore Oil Corporation. In addition to the major integrated oil companies and NOCs, crude oil and oil products are sold to a diverse customer base, including oil refineries, petrochemical producers, wholesalers and distributors, international trading houses and major utilities. While the percentage of term contracts is relatively small, this is largely consistent with the structure of the oil market, and spot contracts are primarily with customers with whom relationships have been established and developed over a long time and are therefore considered similar in nature to term contracts due to their expected renewal.

The marketing operations principally involve physical sourcing, storage, blending and distribution of oil. Paper transactions are also entered into for the purposes of hedging and/or taking or increasing exposures, within Group limits and policies, where a physically backed position exists. The availability of liquid electronic trading markets, covering the majority of the products marketed by the crude oil and oil products operations, enables marketers to hedge their physical oil activities, as well as provide profit enhancing opportunities in relation to physical marketing strategies.

The Group's crude oil and oil products operations source their freight requirements through arrangements with the Group's internal oil freight desk, as well as from external spot vessel hires.

In August 2018, the Group completed the acquisition of a 78 per cent. interest (later increased to 80.29 per cent.) in ALE Combusitveis, a Brazilian fuel distributor, for cash consideration of U.S.$141 million on closing and U.S.$82 million due over six years. The investment provides the Group with a strong platform to participate in the expected domestic growth opportunities across the fuels sector in Brazil with the majority of the demand increase expected to be met by imports.

The Group acquired the LNG business of Ørsted A/S on 1 December 2020. The acquisition involved the Group taking over a number of contracts, including the right to use 3 billion cubic metres of LNG regasification capacity at the Gate terminal in Rotterdam annually until 2031, as well as a number of LNG supply contracts.

***Competitors***

The Group believes that physical commodity marketing is a volume-driven business requiring highly professional risk management, substantial financial resources, market knowledge and product and logistical expertise. The Group believes that it is one of the most diversified and globally active physical commodity sourcing and marketing companies. The Group believes that the majority of its competitors tend to focus on a specific commodity group or geographic area, or concentrate more heavily on commodity-related industrial activities such as mining, drilling, smelting, processing and refining. There are generally three types of companies active in physical commodity marketing, which compete with the Group, indirectly or directly, in certain markets. These include:

- large participants active in specific commodity segments, such as Cargill in agricultural products and Vitol Group in oil;
- captive marketing vehicles of major oil and metals producers and processors, such as Total, BP and BHP (though these companies are less focused on third-party marketing than the Group); and
- other marketing companies whose operations are more limited to particular commodities and/or to geographic areas.

The Group's competitors for copper, zinc and lead marketing include Trafigura and certain large financial institutions, which trade zinc, copper and lead as part of their core businesses but do not have significant production assets. The Group's competitors for alumina and aluminium marketing transact significant volumes of their own production. Production utilised by the aluminium smelters and downstream facilities of integrated companies such as Rio Tinto plc, Alcoa Inc. and Norsk Hydro ASA are significant. The majority of the Group's competitors for bulk products, ferroalloys, nickel and cobalt marketing compete primarily in upstream production, although some also have significant end product capabilities.

The Group's competitors in coal marketing are either producers which largely market their own product and have less geographic market depth and visibility, for example BHP or Anglo American, or companies that have relatively little production capacity and focus mainly on less integrated trading and/or consumer activities, or power/utility companies.

The Group's main competitors in oil marketing are Vitol, Trafigura and Mercuria. These companies have ownership in infrastructure assets; but in the cases of Trafigura and Mercuria, little, if any, upstream production. Volumes captured by oil majors such as BP and Shell are also in direct competition with the Group's marketing volumes, although their participation in the market increases overall volume and liquidity.

## Viterra

Viterra is a global agricultural product handling and logistics company connecting major exporting countries to regions with supply deficit. Viterra's origination and marketing activities focus on the following commodities: grains, oils/oilseeds, cotton and sugar. These activities are supported by investments in controlled and non-controlled storage, handling, processing and port facilities in strategic locations. Following the Group's disposal of a majority stake in Viterra in 2016, Viterra is operated and accounted for as a joint venture, and reported through "corporate and other" activities.

Viterra participates across the global food supply chain, from origination, processing, storage and handling, to marketing activities.

The suppliers to Viterra are producers, farming cooperatives, processing plants, local exporters and global merchants. Viterra does not have long-term supply contracts with global merchants but does occasionally transact with them on a spot basis. The supply base is very diverse and fragmented. Viterra generally enters into seasonal commitments to buy agricultural products from farmers and distributes them through its international network.

Viterra's customers are the processing industry (food, consumer goods and animal feed), local importers, government purchasing entities and competing global merchants. Contracts with customers in the food industry are negotiated bilaterally on a case-by-case basis, while contracts with governmental purchase bodies are usually tendered. Viterra does not enter into long-term contracts with these customers.

Liquid derivatives markets exist for the majority of the key commodities that the business markets, such as wheat, corn, soy oil, rapeseed, sugar and cotton; for example, CBOT (Chicago), MATIF (Paris), NYMEX (New York) and ICE (New York). These key commodities may be used as proxies for other products which the

business markets, such as barley and sunflower oil, in respect of which a liquid derivatives market does not currently exist, and Viterra is accordingly able to hedge, albeit synthetically, the risk on these physical commodities' positions using such proxy forward agreements and exchange traded futures.

Access to or ownership of processing assets enables Viterra to take advantage of the various price differentials for agricultural commodities. Processing assets are located in the Americas and Europe and mainly comprise oil seed crushing facilities, rice and wheat mills, biodiesel production facilities and sugar cane mills.

Physical flows of product are shipped via trucks, trains and vessels. Logistical planning and chartering of dry-bulk seaborne trade are performed in-house by a freight desk which provides initial quotes for the freight associated with each shipment. The in-house freight desk trades and hedges freight and shipping capacity positions for both the division's dry-bulk shipping needs and for third parties. Viterra's logistical assets include in-land and port elevators, silos and wagons.

Viterra has three categories of competitor: large multinational merchants (Cargill, ADM, Bunge and Louis Dreyfus Group), smaller, more regionally focused merchants and local companies with a single country focus, primarily in Russia, Ukraine, Argentina, Canada, Australia and Brazil.

In November 2020, Viterra began implementing a rebranding campaign to move away from the legacy Glencore Agri brand, with the full rebranding across all countries of operation expected to be completed in May 2021.

## Corporate Functions

### *Organisation*

The business segments described above report to management at the corporate level and are supported by the finance, legal, risk, IT, human resources and compliance departments.

The Group's finance department is headed by the Chief Financial Officer ("CFO") based at the Group's head office in Baar. Finance and accounting staff in each principal location (including Baar, New York, London, Beijing, Moscow, Toronto, Johannesburg, Sydney and Singapore) handle the day-to-day finance and accounting tasks related to the business activities conducted out of that location. The proximity of local finance and accounting staff to the Group's industrial, marketing and logistics activities is important in order to ensure prompt and professional handling of the finance and accounting activities related to that specific commodity. The head office finance staff handle (i) funding activities based on the Group's corporate credit, such as syndicated loan facilities and debt capital market transactions, (ii) coordination of the worldwide treasury, hedging and credit and exposure management activities, (iii) presentation of the Group's financial statements to investors and rating agencies, (iv) relationships with its investors and with rating agencies and (v) assets and liabilities management of its consolidated balance sheet and compliance with covenants, if any. The head office accounting staff, together with personnel in certain key locations, are responsible for (a) financial accounting, including the preparation of the financial statements of the legal entities, (b) preparation of the Group's consolidated financial statements, (c) management information related to the performance of each business segment, (d) reporting throughout the entire Group, (e) tax issues and (f) the worldwide relationship with its independent auditors.

The Group has a centralised legal department in the Group's head office in Baar that sets the legal approach for the Group, monitors the Group's overall legal function and provides legal services to the Group's head office in Baar and various other offices and operating units that do not have local legal personnel. There are some smaller legal teams that support specific business activities and offices, such as the freight and oil legal team in London. In addition, most of the larger Group operations have dedicated local legal personnel. The Group's centralised legal department assists the Group in monitoring its overall liability profile associated with legal and regulatory matters, including liabilities that may be associated with the Group's historical activities.

***Office network***

Relationships with producers and consumers of raw materials are the responsibility of senior employees who receive support from the Group's global network of offices in more than 35 countries. These offices are located in major American, European, Asian, Australian, African and Middle Eastern natural resources producing and consuming markets.

***Employees***

As at 31 December 2020, the Group had approximately 145,000 employees and contractors worldwide.

## Health and safety, environment, community and human rights

The Group's approach to sustainability reflects its purpose to responsibly source the commodities that advance everyday life. The Group establishes and progresses good and consistent business practices and standards through its health, safety, environments, and community and human rights ("HSEC-HR") strategy, policies and procedures. Being a responsible operator, the Group strives to build a reputation for doing things the right way.

The Group's sustainability approach sets out its ambitions against four core pillars:

- Health – becoming a leader in protecting and improving the wellness of the Group's people and communities;
- Safety – becoming a leader in safety and create a workplace free from fatalities and injuries;
- Environment – becoming a leader in environmental performance; and
- Community and human rights – fostering socio-economic resilient communities and respect human rights everywhere the Group operates.

Each pillar has clearly defined strategic imperatives, objectives, policies, priority areas and targets. The Group reviews its sustainability approach annually to confirm that it continues to fulfil the needs of the business.

Governance of the Group sustainability strategy and framework rests with the Board HSEC-HR Committee, which formulates and recommends policies on these issues as they affect the Group's operations. The Group's senior management team, including the CEO and commodity business heads, are responsible for overseeing the implementation of the Group's HSEC-HR strategy.

The Group's industrial assets, as well as marketing and logistics activities, are subject to a range of HSEC-HR laws and regulations. For its operations, the Group has HSEC-HR policies and management programmes in place to manage and ensure compliance, as well as to track and improve overall performance with the applicable local and international HSEC-HR laws and regulations. These measures are also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

The Group's HSEC-HR policies and management systems are embedded into the Group's sustainability framework. The Group's sustainability principles, guidance and policies are integrated throughout the business and give guidance on the standards the Group expects. Pursuant to this framework, the Group has published a Group Code of Conduct and Values (the "Code of Conduct"), providing a consistent set of principles that govern the actions, attitudes and decisions of Group employees and emphasising the Group's values of safety, integrity, responsibility, openness, simplicity and entrepreneurialism. The Group also has an assurance plan, which is reviewed and approved annually by the Board, focusing on risks that have been identified via the Group's catastrophic hazard management process. Assurance involves assessments carried out by subject matter experts against international best practices, with corrective action taken when appropriate and regular progress reports made to the Board.

In practice, the Group's sustainability framework adds non-financial aspects to internal corporate reporting requirements, covering performance on societal, environmental and compliance indicators. Depending on the report subject matter, the Group may require annual, quarterly or monthly internal reporting or, for critical incidents, reporting within 24 hours. The Group also makes annual public sustainability reports, which follow the latest guidelines of the Global Reporting Initiative, which aims to create conditions for the transparent and reliable exchange of sustainability information.

The Group seeks to ensure, where possible, that customers, suppliers, agents, service providers and contractors maintain business practices and procedures which meet the Group's performance and behavioural expectations, consistent with the Group's sustainability strategy and Code of Conduct. The Group also uses its influence to raise awareness and consideration of the basic principles within its joint ventures and entities in which it has non-controlling stakes.

Where the Group's sustainability framework applies, employees are required to understand and comply with the principles of the Code of Conduct. The Group's managers are responsible for ensuring compliance, carrying out periodic assessments, management reviews and reviews of corrective action plans. The Group applies appropriate controls, scaled for different levels of materiality in different areas of the Group, and regularly benchmarks its achievements against targets and expectations, taking corrective action where necessary.

***Health and safety***

In line with its values, the Group's first priority in the workplace is to protect the health and wellbeing of all its workforce and bring about continuous improvement in the prevention of occupational disease and injuries. The Group takes a proactive, preventative approach towards health and safety, and believes that all fatalities, injuries and occupational diseases are preventable.

The Group requires an effective safety management system at each asset to assure the integrity of its plants, equipment, structures, processes and proactive systems, as well as the monitoring and review of critical controls. The Group's operations have developed, implemented and maintained health and safety management systems and programmes which meet international standards and applicable regulatory requirements. These are tailored to the specific needs of the Group's operations and activities. Performance is regularly monitored by tracking injuries, lost days, fatalities, near-miss events and various other indicators. This information is used as the basis for continuous improvement programmes, training and improvement of the integrity and safety of workplaces, as well as mobile or stationary equipment.

The Group's SafeWork initiative supports changing attitudes towards safety and bringing about long-term sustainable change that promotes the elimination of fatalities and serious injuries. The initiative's aim is to provide everyone within the Group's business with the knowledge and tools to perform every task safely. In 2021, SafeWork will be relaunched as part of the Group's fatality reduction programme.

The Group's occupational health management strategy addresses the health risks facing the workforce, their families and the communities where the Groups operates. The Group uses a variety of onsite programmes to manage occupational diseases and exposure to health hazards and extends many of these health programmes to host communities to combat regional health issues and promote healthy lifestyles.

The Group is also focused on catastrophic hazards, which are those that could result in a catastrophic event with consequences across the HSEC-HR pillars, and include those relating to safety, process safety, human rights, environment and tailings. Catastrophic events that take place in the natural resource sector can have disastrous impacts on workers, communities, the environment and corporate reputation, as well as having substantial financial cost.

The Group recognises the exceptional nature of catastrophic events, and has developed specific programmes to actively identify, monitor and mitigate catastrophic hazards within the business. Its Catastrophic and Fatal

Hazard Management Policy requires the control of these hazards at all times. The Group ensures that those who might be directly exposed have appropriate awareness of such hazards, along with other legitimate stakeholders

The Group reviews its catastrophic risks to understand whether they are adequately controlled. The Group requires its assets to put in place appropriate management and mitigation measures. Assurance on catastrophic hazards is developed in line with the Group-wide catastrophic hazard programme. The Board receives and reviews all assurance findings.

The Group targets zero major or catastrophic environmental incidents, which was achieved in 2020.

***Environmental impact***

The Group's operations are geographically widespread and extremely diverse in nature, including prospecting, production, reclamation, processing, storage, transportation and marketing of natural resources. This means that the potential environmental impact of the Group's operations is complex and specific to different commodity groups or production sites.

The Group is aware of the increasing regulatory pressure and societal demand for a low emission economy to address the global climate change situation and is integrating this into existing resource efficiency programmes at its operations.

The Group complies with applicable laws, regulations and other requirements for environmental management. In order to manage and limit the environmental impact of its controlled extractive activities, the Group has environmental management systems which are used to monitor environmental aspects of its operations. The Group's controlled extractive assets carry out internal and external environmental audits from time to time.

The Group also looks to promote environmental awareness in its non-controlled industrial activities and works in partnership with its customers, suppliers and service providers to limit the overall environmental impact along the entire supply chain. The Group furthermore acknowledges that managing the environmental compliance and impact of the Group's operations is a dynamic process as the international and local regulatory environment is changing regularly.

The measures implemented by national and intra-national governments, as well as public sentiment, are likely to drive public policy developments and programmes that restrict global GHG emissions. These measures are likely to affect the Group's business and present both risks and opportunities for the Group. The transition to a low carbon economy and associated regulatory developments may affect the development or maintenance of the Group's industrial assets due to restrictions in operating permits, licenses or similar authorisations. The Group plays an active and constructive role in public policy development on carbon and energy issues and supports a pragmatic and practical global approach that prioritises a low-cost, logical transition towards lower global emissions.

The Group is a significant energy consumer and its use of fuel and power is a key input and cost to its business as well as being a material source of its carbon emissions. As a global patchwork of energy and climate change regulation evolves, the Group monitors international and national developments and has incorporated both energy costs and its carbon footprint into its annual planning process. The Group's commodity departments are required to provide energy and GHG emissions forecasts for each industrial asset over the forward budget period and provide details of any mitigation projects that may reduce emissions, including identifying and developing renewable energy generation opportunities.

Assessing climate change-related risks is part of the Group's risk management and strategy development processes. Effective and strategic management of climate change-related risks and opportunities across all aspects of its business is vital to its continued ability to operate. The Group integrates risk management throughout its business using a structured risk management process that establishes a common methodology for

identifying, assessing, treating and monitoring risks. In 2020, the Group conducted assessments of physical and regulatory risks to its operations as well as the mitigating actions, detailed in the Climate Report 2020: Pathway to net zero. The Group targets a 40 per cent. reduction of its total (Scope 1, 2 and 3) emissions by 2035 compared to a 2019 baseline and targets achieving net-zero emissions by 2050. The Group plans to achieve this by limiting its coal production, investing in the growth of production volumes for commodities essential to the energy and mobility transition, supporting deployment of low emission technologies, contributing to the circular economy and working in partnership with customers and supply chain to promote greater use of low-carbon metals.

***Communities and human rights***

The Group recognises that mining can have an impact, both positive and negative, on the rights of workers and communities. The Group is also aware of the need to ensure unencumbered fair and transparent access to remedies for any stakeholder affected by its operations.

The Group believes that its global presence and economic strength have a predominantly positive impact on its host communities. The Group's activities contribute to national and regional economies, through the taxes and royalties that it pays and the socio-economic initiatives it supports, as well as by its prioritisation of local employment and procurement.

The Group requires its assets to develop transparent, constructive and inclusive relationships with their host communities. Each asset's stakeholder engagement strategy identifies the societal impact of its activities, community concerns, needs and societal risks to its operations. The Group's community development programmes are an integral part of its community and stakeholder engagement strategies and support various initiatives to deliver socio-economic benefits to those living around its operations.

In 2020, the Group joined the FCA, to help positively transform artisanal mining in the DRC and work towards eliminating child and forced labour, as well as other dangerous practices. Through its participation in the FCA, the Group will support legitimate artisanal and small-scale mining ("ASM") cooperatives in their endeavours to transform their practices and align themselves with international human rights practices, especially in the prevention of child labour. In addition to the new partnership with the FCA, as a member of the Responsible Minerals initiative, the Group also participates in programmes to develop frameworks and standards that support responsible ASM.

The Group also has mechanisms in place to receive grievances and concerns. All of the Group's operations are required to have grievance mechanisms that are accessible, accountable and fair, and which enable the Group's stakeholders to raise concerns without fear of recrimination. The Group aligns its grievance mechanisms with the requirements of the UN Guiding Principles on Business and Human Rights. Senior operational and departmental management and the Board's health and safety, environment and communities committee receive regular reports on grievances and concerns. All grievances and concerns received are registered and investigated, and the Group notifies complainants of the results of their grievance and/or complaint and implements any follow-up actions in a culturally and locally appropriate manner.

Respect for human rights is enshrined in the Code of Conduct, which lays out the essential requirements for its people. The Group's Human Rights Policy reinforces this commitment. The Group also endorses and aligns its security procedures to the Voluntary Principles on Security and Human Rights (the "Voluntary Principles") published by the Voluntary Principles Initiative.

The Group's Human Rights Policy applies to all of its operations and offices over which it has operational control. The policy requires its operations to identify and assess risks of human rights breaches as part of the Group's general risk assessment processes, which include baseline and impact studies at existing operations and due diligence on new operations and business partners. The Group's policies and practice align with the

Universal Declaration of Human Rights, the UN Guiding Principal, the UN Global Compact and the International Labour Organization's core conventions.

The Group's assets are required to conduct regular human rights training for their workforce, with a focus on those employees in positions exposed to human rights concerns, such as security. This covers general human rights awareness during day-to-day activities for the Group's wider workforce, as well as focused training on the Voluntary Principles on Security and Human Rights for security employees and contractors.

In addition, some of the Group's assets are located on or near the traditional territories of indigenous peoples. The Group's approach aligns with the International Council on Mining and Metals ("ICMM") Position Statement on indigenous people and mining, which requires mining projects located on lands traditionally owned by or under customary use of indigenous peoples to respect indigenous peoples' rights, interests, special connections to lands and waters, and perspectives. ICMM members must adopt and apply engagement and consultation processes that ensure the meaningful participation of indigenous communities in decision-making. The Group seeks, through good faith negotiation, to reach agreements with indigenous peoples who maintain an interest in, or connection to the land on which the Group operates, formalising engagement processes and sustainable benefits.

***Responsible sourcing***

Some of the Group's products are vital to today's society, including through their use in devices that are part of everyday activities. The Group recognises that its relationships with its customers is dependent on being a responsible supplier that delivers and markets competitively priced commodities in a timely manner while incorporating health, safety, environmental and human rights considerations throughout its supply chain.

The Group's suppliers are critical partners in its commitment to operate in a manner that is responsible, transparent and respects the human rights of all. The Group undertakes due diligence of current and potential suppliers to understand their business practices using a risk-based approach. If the Group identifies unacceptable risks, it agrees a set of corrective actions with the supplier.

During 2020, the Group strengthened its internal due diligence management system. The Group has a five-step approach to due diligence that aligns with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("CAHRA"). The Group's risk assessment and management strategy identifies and assesses risks, including those relating to CAHRA.

Additionally, the Group has provided input into the drafting of the Copper Mark and RMI's Joint Due Diligence Standard for base metals. The standard enables companies to comply with the London Metal Exchange Responsible Sourcing requirements. The Group's participation in developing this standard enabled it to share its current sourcing practices for base metals, as well as to reinforce the leading position of its listed brands in the metals markets.

## Insurance

The Group maintains a number of key insurance policies that it believes are commercially appropriate to cover various risks associated with its business operations. The Group's insurance policies are underwritten through Lloyd's and other major European and international insurance companies. The Group maintains an insurance portfolio that covers both liability exposures and physical assets, some of which are insured through a wholly owned captive insurance company, Harbour Insurance Pte Ltd.

The Group's global insurance policies cover its marketing activities and industrial assets (subject to some local insurance cover) and are either purchased centrally by the Group or locally at subsidiary level (depending on local legal requirements). The Group's principal global insurance policies include property damage and business

interruption, charterer's legal liability, marine cargo, protection and indemnity, hull and machinery, excess oil pollution liability, political risk (in respect of oil in storage and/or in transit only), offshore liabilities, piracy, general third-party liability and directors' and officers' liability insurance.

The Group has relationships with a number of insurance brokers that have been selected for their better market representation in particular classes of insurance or relationships with either local or international underwriters. By using different brokers, the Group believes that it receives better service in respect of policy placements, premium costs, advice and assistance on claims. Although the Group does not set its own minimum financial security ratings in respect of insurers or brokers, it verifies and confirms ratings and suitability during the course of renewal discussions.

## Compliance

The Group is committed to maintaining a culture of ethical behaviour and compliance throughout the Group, rather than simply performing the minimum required by laws and regulations. The Group does not knowingly assist any third party in breaching the law, or participate in any criminal, fraudulent or corrupt practice in any country.

To support this, the Group's Ethics and Compliance Programme includes risk assessments, policies, standards, procedures and guidelines, training and awareness, advice, monitoring, speaking openly and investigations. The Group works with leading advisers to ensure that it is aligned with international best practices, and the Group follows guidance from relevant authorities. The Group's employees, directors and officers, as well as contractors under the Group's direct supervision, working for a Group office or industrial asset directly or indirectly controlled or operated by the Group worldwide, must comply with the Group Code of Conduct and relevant policies and procedures, as well as applicable laws and regulations, regardless of location. When the Group enters into joint ventures where it is not the operator, the Group seeks to influence its partners to adopt similar policies and procedures to its own wherever possible.

The Board of Directors plays a critical role in overseeing and assessing the Group's culture of ethics and compliance, and ensuring policies, practices and behaviour are consistent with the Group's values. The Board has established a separate Ethics, Culture and Compliance committee (the "ECC Committee"), dedicated to overseeing and approving key ethics, compliance and culture-related matters within the Group. The Group provides training to the Board emphasising the role of the Board in the oversight and implementation of an effective ethics and compliance programme. Furthermore, the ECC Committee receives quarterly updates on the programme. These updates cover all focus areas (including anti-corruption, sanctions) and topics such as compliance team structure, status of risk assessments, policies, standards, procedures or guidelines under development or review, updates on training and awareness activities, overview of monitoring visits and key findings. The Board members also receive updates on material investigations and reports into the Group's 'Raising Concerns' programme, which is available for employees to raise, in confidence, any concerns regarding situations where the Group's Code of Conduct, policies, procedures or applicable laws appear to have been breached.

The following management committees also support the implementation of the Group Ethics and Compliance Programme and report to the Board:

The Environment, Social and Governance Committee (the "ESG Committee") comprises the Group's CEO, CFO, Head of Industrial Assets, General Counsel, Head of Compliance, Head of Human Resources, Head of HSEC and Human Rights, and Head of Sustainability. It also includes senior members of executive management representing marketing and industrial assets across different commodities. The ESG Committee considers issues relevant to the Group's corporate functions regarding the various ESG programmes and projects

implemented across the Group. It also reviews and approves policies, standards, procedures, systems and controls relevant to the corporate functions.

The Business Approval Committee is a subcommittee of the ESG Committee and determines, sets guidance and criteria, and reviews business relationships, transactions or counterparties that give rise to ethical or reputational concerns.

The Raising Concerns Investigations Committee oversees the operation of the Group Raising Concerns programme and the conduct of investigations, ensuring recommendations and sanctions are applied consistently across the Group.

In order to ensure the Ethics and Compliance Programme is appropriately designed, tailored to the Group's business and that resources are adequately allocated, the Group identifies, assesses and evaluates compliance risks faced by the business. The Group achieves this by performing an annual Group compliance risk assessment to identify, record and assess risks relevant to the entire Group. These risks are documented consistently in the Group compliance risk register which covers several risk areas, but focuses in particular on anti-corruption, given the nature of the Group's business and the geographies in which it operates. In addition, these risks are assessed, at appropriate intervals, across each office and industrial asset across the Group. Local risk assessments help the Group to understand and document the specific compliance risks faced by each of the Group's businesses, as well as identify and assess the controls in place to mitigate the risks. These risks assessments also form the basis for the drafting Group policies, standards, procedures and guidelines.

The Group's policy framework encompasses its values, Code of Conduct, policies, procedures and guidelines on various compliance topics including bribery and corruption, conflicts of interest, sanctions, anti-money laundering, market conduct, the prevention the facilitation of tax evasion, competition law, fraud and information governance. This framework reflects the Group's commitment to uphold ethical business practices and to meet or exceed applicable laws and external requirements. The Group emphasises their importance in its business activities, including recruitment and induction. Training on and awareness of the Group's policies, procedures and guidelines, as well as strong leadership, are critical components of its Ethics Compliance Programme. They ensure the Group's employees understand the behaviour expected of them and provide guidance on how they can identify and practically approach legal and ethical dilemmas in their daily work. The Group's training programmes mix e-learning with face-to-face training. The Group tailors its training and awareness materials and make them relevant by including hypothetical scenarios illustrating how ethics and compliance dilemmas might manifest themselves in employees' daily work.

Employees can access the compliance policies, standards, procedures and guidelines through various channels, including the Group intranet or the local intranet of the specific office or asset at which they work. The Group's managers and supervisors are responsible for ensuring employees understand and comply with the policies, standards and procedures. The Group monitors and tests their implementation on a regular basis. Employees and contractors who have access to a work computer must confirm their awareness and understanding of the Group's compliance requirements when they begin working at Glencore and annually thereafter. Certain offices and assets implement their own policies, procedures and guidelines in addition to those of the Group, which are designed to address specific local risks and requirements while being consistent with Group policies.

The Group regularly monitors and tests the implementation of the Group Ethics and Compliance Programme in order to determine its effectiveness, and that it is operationalised and embedded into the business operations. The monitoring activities also enable the Group to identify opportunities for improvement that help develop and evolve the programme and respond to changes to its business, to the environments it operates in and to applicable laws and regulations.

## Risk management

Risk management and control spans across the Group's organisational structure. The Board has been and will further be involved in the risk management of the Group at a strategic level. The CEO engages in an ongoing interrogatory exchange with the management team as a primary oversight of Group risk, supported in this function by the Group risk management team, multi sourced risk reporting and the Chief Risk Officer. This support, among other things, relates to consolidated risk reporting, coordination of Group and departmental VaR, stress, scenario and other testing, reviewing and challenging the evaluation models and, in conjunction with departmental teams, input parameters used by commodity departments. The departments and Group risk team further engage in a dialogue concerning general aspects of risk management policy and reporting. The internal audit and ECC and ESG Committees also play key roles in managing the Group's operational risk and verifying process controls.

The Group's business could be impacted by various external factors; for example, political events and unfavourable actions by governments, natural catastrophes and operational disruptions. The Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, interest rate risk and currency risk), credit risk (including performance risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to protect its financial security and flexibility by using derivative financial instruments substantially to hedge these risks. Among others, the Group monitors its commodity price risk exposure using a VaR computation and assesses the open positions, which are those subject to price risks, including inventories of these commodities. The Group's finance and risk professionals, working in coordination with the commodity departments, monitor, manage and report regularly to management on the financial risks and exposures the Group is facing. Responsibility for reviewing the overall effectiveness of the Group's system of internal controls and risk management systems lies with the audit committee.

## Legal and Regulatory

### *Government Investigations*

The Group is subject to a number of investigations by regulatory and enforcement authorities, including as described below.

The United States Department of Justice is investigating the Group with respect to compliance with various criminal statutes including the U.S. Foreign Corrupt Practices Act of 1977, United States money laundering statutes and fraud statutes related to the Group's business in certain overseas jurisdictions.

The United States Commodity Futures Trading Commission (the "CFTC") is investigating whether the Group may have violated certain provisions of the U.S. Commodity Exchange Act of 1936 and/or CFTC regulations including through corrupt practices in connection with commodities trading.

The United Kingdom Serious Fraud Office is investigating the Group in respect of suspicions of bribery in the conduct of business of the Group.

The Brazilian authorities are investigating the Group in relation to "Operation car wash", which relates to bribery allegations concerning Petrobras.

The Office of the Attorney General of Switzerland is investigating Glencore International AG for failure to have the organisational measures in place to prevent alleged corruption.

The Board has appointed a committee, the Investigations Committee, to oversee the response to the investigations on behalf of the Board. The Investigations Committee has engaged external legal counsel and

forensic experts to assist in responding to the various investigations and to perform additional investigations at the request of the Investigations Committee covering various aspects of the Group's business.

The Group is continuing to cooperate fully with the various authorities, including through reporting to those authorities with facts relevant to the investigations. The investigations are complex and dynamic including in relation to scope. The timing and outcome of the various investigations remain uncertain. It is also possible that the various investigations may expand and/or that other authorities may open investigations into the Group. The final scope and outcome of the investigations are not possible to predict and estimate.

The Group was named in a securities class action suit in the United States District Court of New Jersey in connection with the various regulatory and enforcement authorities' investigations. The District Court issued an order dismissing the suit on 31 July 2020. Other claims and unresolved disputes are pending against the Group, however, based on the Group's current assessment of these matters any future individually material financial obligations are considered to be remote.

The timing and amount of any financial obligations (such as fines, penalties or damages, which could be material) or other consequences, including external costs arising from any of the various investigations and any change in their scope are not possible to predict or estimate.

***Ontario Securities Commission Investigation***

On 20 November 2017, Katanga announced the completion of an internal review of certain historic accounting practices and the restatement of its financial statements. The Ontario Securities Commission (the "OSC") also conducted an investigation into certain of Katanga's historic accounting practices, corporate governance and disclosure practices and related conduct by certain current and former officers and certain former Glencore nominees on the Katanga board. In December 2018, Katanga announced that it entered into a settlement agreement with the OSC and made a payment of C$30 million (U.S.$22.5 million) as part of the settlement.

The Group carefully considered the findings of the internal and OSC investigations and committed to ensuring that the weaknesses identified are addressed and do not reoccur. Following the resignation of three directors, the Group nominated three new directors to the board of Katanga to work with the independent directors to implement remediation measures to strengthen the corporate governance, compliance and control processes at Katanga. Furthermore, in January 2019, Katanga entered into a management services agreement with GIAG to better reflect the integrated nature of Katanga's and GIAG`s businesses and enhance existing controls. Pursuant to the agreement, GIAG made personnel of GIAG available to Katanga, and provided Katanga with administrative, financial and other management services to manage and support the operations of Katanga and its subsidiaries, as well as provided support to comply with Katanga's governance and reporting obligations.

Following the Group's acquisition in June 2020 of the remaining Katanga shares that it did not already own, the management services agreement was terminated.

***Gécamines***

On 20 April 2018, Katanga was notified that La Générale des Carrières et des Mines ("Gécamines"), the DRC's state-owned mining company, had commenced legal action to dissolve KCC following KCC's failure to address its capital deficiency. On 12 June 2018, Katanga announced that it had settled the aforesaid dispute with Gécamines and had reached agreement for the resolution of the capital deficiency of KCC through, among other things, the conversion of U.S.$5.6 billion of KCC debt into new KCC equity (U.S.$1.4 billion of which was gifted to Gécamines to maintain its 25 per cent. interest in KCC), following which all legal actions by Gécamines were withdrawn. Katanga and Gécamines' shareholdings in KCC remain unchanged at 75 per cent. and 25 per cent., respectively.

***Ventora***

Since 2007, the Group has had various business dealings with entities associated with Dan Gertler in connection with its copper assets in the DRC, including Mutanda and KCC. In December 2017, the United States government designated Dan Gertler and certain affiliated companies as Specially Designated Nationals ("SDNs"), thereby imposing blocking sanctions on them and companies owned 50 per cent. or more by them. The Group has pre-existing contractual obligations to make royalty and pas-de-porte payments in respect of KCC and Mutanda to certain of these companies which pre-date the SDN designation and which arose when the companies acquired rights from Gécamines. Following the SDN designation, the Group suspended payment to the companies affiliated with Mr Gertler and assessed how to mitigate any risks connected with the SDN designation.

On 27 April 2018, Ventora Development Sasu ("Ventora"), a company affiliated with Dan Gertler (which was specifically added to the SDN list on 15 June 2018), served freezing orders against Mutanda and KCC, for approximately U.S.$695 million and U.S.$2.28 billion, respectively, alleging that Mutanda and KCC have breached agreements relating to the payment of royalties to Ventora and Africa Horizons Investments Limited ("AHIL") by indicating that they will not pay such royalties as a result of Mr Gertler's designation as an SDN. The freezing orders authorised the bailiff of the Commercial Court of Kolwezi to freeze certain bank accounts, tangible movable assets and intangible movable assets, such as receivables, of each of Mutanda and KCC as well as the mining titles, in each case up to the amount of the freezing order and prevent Mutanda and KCC from disposing and/or utilising these assets. On 30 April 2018, Ventora also served injunctions to pay against KCC and Mutanda for approximately U.S.$2.86 billion and U.S.$868 million, respectively, which amounts include additional legal fees. Having carefully considered its legal and commercial options, as well as its obligations to its various stakeholders, including its shareholders, customers and the communities in which it operates in the DRC, the Group and Katanga determined that in order to avoid the material risk of seizure of assets under DRC court orders, Mutanda and KCC shall pay the relevant royalties as and when they become due to Ventora in non-U.S. dollars, without involving U.S. persons, in order to discharge their obligations under the terms of the pre-existing contract. Mutanda, KCC, Ventora and AHIL agreed to withdraw all pending and threatened litigation between them pursuant to a settlement agreement signed by the parties. The Group believes that payment in non-U.S. dollars of royalties and access premiums to Ventora and AHIL without the involvement of U.S. persons would appropriately address all applicable sanctions obligations.

***UC Rusal and EN+***

The Group previously owned 8.8 per cent. of UC Rusal, a vertically integrated upstream aluminium company listed on the Hong Kong Stock Exchange, Euronext Paris and the Moscow Exchange. In addition to its mining and refining operations, UC Rusal also holds a 27.82 per cent. stake in Norilsk Nickel, the world's largest producer of nickel and palladium and one of the largest producers of platinum and copper. In April 2018, UC Rusal and its parent company, EN+ Group Plc ("EN+"), were designated as SDNs by the U.S. government. The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") subsequently issued licenses authorising U.S. persons to engage in specified transactions related to winding down or maintaining business with UC Rusal and its subsidiaries until 23 October 2018. OFAC also announced that, in accordance with pre-existing OFAC guidance, OFAC would not impose secondary sanctions on non-U.S. persons for engaging in the same activity involving UC Rusal or its subsidiaries that General License 14 authorises U.S. persons to engage in. The Group is committed to complying with all applicable sanctions in its business and took all necessary measures in order to mitigate any risks to its business as result of the designation of UC Rusal and EN+ as SDNs, including in respect of secondary sanctions. The Group had also agreed to convert its shareholding in UC Rusal into shares of its parent company, EN+ as part of the latter's initial public offering which completed in November 2017, but decided not to proceed with the transaction at the time following the designation of UC Rusal and EN+ as SDNs. In January 2019, OFAC lifted the sanctions against UC Rusal and EN+ and the Group concluded agreements to exchange its 8.8 per cent. interest in UC Rusal for a 10.6 per cent.

interest in EN+. The first stage of the transaction completed at that time and the Group transferred a 2.0 per cent stake in UC Rusal to EN+ in exchange for the issue of new global depositary receipts to Glencore representing approximately 10.6 per cent. of the enlarged share capital of EN+. The transfer of the additional 6.8 per cent. stake in UC Rusal to EN+ was completed in February 2020.

## CAPITALISATION

The following table sets forth the total capitalisation and cash and cash equivalents for the Group as at 31 December 2020 on an actual basis as derived from the 2020 Financial Statements incorporated by reference into this Offering Circular and on an "as adjusted" basis to give effect to the issuance of the U.S.$600,000,000 1.625 per cent. Notes due 2026, the U.S.$600,000,000 2.850 per cent. Notes due 2031 and the U.S.$500,000,000 3.875 per cent. Notes due 2051 after deducting estimated underwriting commissions of U.S.$9,175,000, resulting in net proceeds of approximately U.S.$1,689,348,000.

This table should be read in conjunction with "*Use of Proceeds*", "*Operating and Financial Review*", "*Description of Indebtedness*" and the financial statements incorporated by reference into this Offering Circular.

| | As at 31 December 2020 | |
|---|---|---|
| | **Actual** | **As adjusted**(1) |
| | *(U.S.$ millions)* | |
| **Cash and cash equivalents** | 1,498 | 3,187 |
| Current borrowings | 8,252 | 8,252 |
| Non-current borrowings | 29,227 | 29,227 |
| Notes offered hereby | — | 1,689 |
| **Total borrowings** | 37,479 | 39,168 |
| **Total equity** | 34,402 | 34,402 |
| **Total capitalisation** | 71,881 | 73,570 |

Note:

(1) Adjustments reflecting the issuance of U.S.$600,000,000 1.625 per cent. Notes due 2026, U.S.$600,000,000 2.850 per cent. Notes due 2031 and the U.S.$500,000,000 3.875 per cent. Notes due 2051 and the application of the net proceeds of the Offering of the Notes amounting to U.S.$1,689,348,000 to cash and cash equivalents.

On 11 February 2021, Volcan issued U.S.$475 million 4.375 per cent. Senior Notes due 2026. The impact of the issuance on the Group's indebtedness position is not reflected in the table above.

On 1 March 2021, the Group issued EUR600 million 0.75 per cent. Notes due 2029 and EUR500 million 1.125 per cent. Notes due 2033, which are not reflected in the table above.

## SELECTED HISTORICAL FINANCIAL INFORMATION

This section should be read along with the information provided in "*Operating and Financial Review*" and the Group's Financial Statements incorporated by reference in this Offering Circular, and the other financial data presented elsewhere in this Offering Circular.

The selected financial data presented below as at and for the years ended 31 December 2020 and 2019 and as at 31 December 2018 has been extracted without material adjustment from the 2020 Financial Statements. The other selected financial data presented below for the year ended 31 December 2018 has been extracted without material adjustment from the 2019 Financial Statements (which includes the 2018 restated statement of income).

The following table sets out the Group's consolidated statement of income/(loss) for the years ended 31 December 2018, 2019 and 2020:

| | **Year ended 31 December** | | |
|---|---|---|---|
| | **2018[(1)]** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Revenue | 220,524 | 215,111 | 142,338 |
| Cost of goods sold | (211,468) | (210,434) | (138,640) |
| Selling and administrative expenses | (1,381) | (1,391) | (1,681) |
| Share of income from associates and joint ventures | 1,043 | 114 | 444 |
| Gains/(losses) on disposals and investments | (139) | (43) | (36) |
| Other income | — | 372 | 438 |
| Other expense | (764) | (545) | (611) |
| Impairments of non-current assets | (1,452) | (2,322) | (5,715) |
| Impairments of non-current financial assets | (191) | (86) | (232) |
| Dividend income | 21 | 49 | 32 |
| Interest income | 228 | 227 | 120 |
| Interest expense | (1,742) | (1,940) | (1,573) |
| **Income/(loss) before income taxes** | 4,679 | (888) | (5,116) |
| Income tax (expense)/credit | (2,063) | (618) | 1,170 |
| **Income/(loss) for the period** | 2,616 | (1,506) | (3,946) |
| **Attributable to**: | | | |
| Non-controlling interests | (792) | (1,102) | (2,043) |
| Equity holders | 3,408 | (404) | (1,903) |

Note:

(1) Restated to present mark-to-market movements on physical forward sales contracts within revenue.

The following table summarises the Group's consolidated statement of cash flows for the years ended 31 December 2018, 2019 2020:

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | *(in U.S.$ millions)* | | |
| Net cash generated/(used) by operating activities | 11,559 | 8,729 | 2,664 |
| Net cash used by investing activities | (7,293) | (3,716) | (2,711) |
| Net cash (used)/generated by financing activities | (4,334) | (5,147) | (320) |
| Decrease in cash and cash equivalents | (68) | (134) | (367) |

The following table sets out the Group's consolidated statement of financial position as at 31 December 2018, 2019 and 2020:

| | As at 31 December | | |
|---|---|---|---|
| | **2018[(1)]** | **2019[(1)]** | **2020** |
| | *(in U.S.$ millions)* | | |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 56,770 | 55,357 | 47,110 |
| Intangible assets | 6,971 | 7,006 | 6,467 |
| Investments in associates and joint ventures | 13,909 | 12,984 | 12,400 |
| Other investments | 2,067 | 2,387 | 1,733 |
| Advances and loans | 2,555 | 2,427 | 3,042 |
| Other financial assets | 303 | 453 | 1,106 |
| Inventories | 353 | 575 | 678 |
| Deferred tax assets | 1,728 | 1,477 | 2,252 |
| | 84,656 | 82,666 | 74,788 |
| **Current assets** | | | |
| Inventories | 20,564 | 19,936 | 22,852 |
| Accounts receivable | 17,666 | 16,671 | 15,154 |
| Other financial assets | 3,230 | 1,953 | 1,998 |
| Income tax receivable | 121 | 350 | 444 |
| Prepaid expenses and other assets | 389 | 315 | 220 |
| Cash and cash equivalents | 2,046 | 1,899 | 1,498 |
| | 44,016 | 41,124 | 42,166 |
| Assets held for sale | — | 286 | 1,046 |

| | As at 31 December | | |
|---|---|---|---|
| | **2018[(1)]** | **2019[(1)]** | **2020** |
| | | *(in U.S.$ millions)* | |
| | 44,016 | 41,410 | 43,212 |
| **Total assets** | 128,672 | 124,076 | 118,000 |
| **Equity and liabilities** | | | |
| **Capital and reserves – attributable to equity holders** | | | |
| Share capital | 146 | 146 | 146 |
| Reserves and retained earnings | 45,592 | 40,128 | 37,491 |
| | 45,738 | 40,274 | 37,637 |
| Non-controlling interests | (355) | (1,038) | (3,235) |
| **Total equity** | 45,383 | 39,236 | 34,402 |
| **Non-current liabilities** | | | |
| Borrowings | 26,424 | 29,067 | 29,227 |
| Deferred income | 2,301 | 2,670 | 2,590 |
| Deferred tax liabilities | 6,839 | 6,094 | 4,721 |
| Other financial liabilities | 1,620 | 1,229 | 688 |
| Provisions including post-retirement benefits | 6,824 | 6,772 | 6,931 |
| | 44,008 | 45,832 | 44,157 |
| **Current liabilities** | | | |
| Borrowings | 8,570 | 7,976 | 8,252 |
| Accounts payable | 26,484 | 26,193 | 24,038 |
| Deferred income | 412 | 558 | 1,070 |
| Provisions | 554 | 489 | 693 |
| Other financial liabilities | 2,152 | 2,872 | 4,276 |
| Income tax payable | 1,109 | 764 | 927 |
| | 39,281 | 38,852 | 39,256 |
| Liabilities held for sale | — | 156 | 185 |
| | 39,281 | 39,008 | 39,441 |
| **Total equity and liabilities** | 128,672 | 124,076 | 118,000 |

Note:

(1) Certain balances relating to financial derivatives in the Group's consolidated statement of financial position as at 31 December 2019 and as at 31 December 2018 have been reclassified to reflect their appropriate classification as either current or non-current, in accordance with contractual maturities. As a result, U.S.$428 million (2018: U.S.$252 million) was reclassified from other financial assets to non-current other financial assets and U.S.$850 million (2018: U.S.$1,091 million) was reclassified from other financial liabilities to non-current other financial liabilities as at 31 December 2019 and 31 December 2018, respectively. Furthermore, provisions at 31 December 2019 were

| | As at 31 December | | |
|---|---|---|---|
| | **2018[(1)]** | **2019[(1)]** | **2020** |
| | | *(in U.S.$ millions)* | |

restated by U.S.$530 million to reflect reclassification of uncertain tax provisions to current (U.S.$410 million) and deferred tax liabilities (U.S.$120 million). Hence the overall reclassification from current assets to non-current assets of U.S.$428 million (2018: U.S.$252 million) and from current liabilities to non-current liabilities of U.S.$440 million (2018: U.S.$1,091 million).

# OPERATING AND FINANCIAL REVIEW

## Overview

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third-party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprises around 150 mining and metallurgical sites and oil production assets. The Group's growth prospects are underpinned by a significant industrial base, which, in turn, enhances marketing opportunities. The Group produces and markets a diverse range of metals and minerals, including copper, cobalt, zinc, nickel and ferroalloys, and also markets aluminium/alumina and iron ore from third parties. With regard to energy products, the Group is a large producer and marketer of coal, with mines in Australia, South Africa and Colombia while its oil business is one of the leading marketers of crude oil, refined products and natural gas.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality products on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value-added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

In 2019, the Group reorganised its business segments to reflect changes in its reporting and accountability structures following the creation of a new position, the Head of Industrial Assets, with oversight and responsibility for all of the Group's industrial assets. The Group now operates two business segments: industrial activities (reporting to the Head of Industrial Assets) and marketing activities (reporting to the Head of Marketing, being the Group's CEO). Prior to 2019, the Group had been organised into three business segments around its commodities: metals and minerals, energy products and agricultural products. See "*—Changes in segmental reporting*" below.

Historically, the Group has grown both organically and through acquisitions. The Group continues to evaluate opportunities on an ongoing basis in relation to its business, including, among others, mergers, acquisitions, disposals, joint ventures and off-take arrangements.

## Key factors affecting results of operations and financial condition

### *Commodity prices*

Commodity prices are influenced by many factors, including the supply of and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. While producers are clearly unable to dictate market prices directly, events such as the withdrawal of commodity production capacity and various attempts to capture market share by individual producers could have an effect on market prices. Commodity prices may move in response to changes in production capacity in a particular market, for example as a new asset comes online or when a large producer experiences difficult operational issues or is impacted by a natural disaster. Larger scale, macroeconomic trends, such as the increasing focus on minimising greenhouse gas emissions and technological

advances in renewable energy have also impacted the prices of many of the Group's key commodities, including coal and cobalt. Furthermore, the producers' actual average realised prices can be affected by contractual arrangements, production levels and hedging strategies. Prices of the Group's main commodity products can vary significantly as actual and anticipated supply and demand fluctuate. Price variations and market cycles have historically influenced the Group's financial performance and are expected to continue to do so in the future.

There are clearly commodity-specific fundamentals and events which affect the demand and supply dynamics and pricing outlook for each individual commodity; however, the prices of most metals and energy commodities which the Group produces and markets have generally followed macroeconomic trends and tend to be positively correlated.

The impacts that fluctuating commodity prices have on the Group's business differ between its marketing activities and industrial activities.

- Marketing activities: In a market environment in which prices for a particular commodity are higher on average, the premiums/margins that are generated in its physical marketing operations relating to such commodity as a result of geographical, time and quality imbalances tend to be higher. The Group also generally benefits from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage resulting price differentials. As prices of commodities rise, the Group has higher working capital financing requirements over the same quantity of commodities in question. During periods of falling commodity prices, the opposite applies in that the Group will require less working capital financing for its marketing activities.

- Industrial activities: Higher prices will be particularly favourable to the profitability of the Group in respect of commodities which the Group produces at its industrial assets or are produced by its associated companies and other investees. Similarly, low prices will negatively impact the Group's industrial activities and could result in those activities incurring losses.

Commodity prices have fluctuated over the track record period. A shift in general market sentiment from lows in previous periods, improvements in both supply and pricing fundamentals and significantly improved cost structures underpinned a substantial improvement in the Group's 2018 results, though higher costs partially offset this impact. The Group's 2019 results were impacted by significantly lower commodity prices principally for cobalt and thermal coal. The Group's 2020 results were impacted by the economic and operational consequences of the COVID-19 pandemic as regards demand for commodities, certain asset suspensions and changes in working practices.

***Extraction and production costs, efficiency and volumes***

The Group, in common with its competitors, is unable to set market commodity prices directly, and its competitiveness and long-term profitability are, to a significant degree, dependent upon its ability to reduce costs and maintain efficient operations. Costs associated with extraction and production can be broadly categorised into labour costs and other on-site expenses, including power and equipment costs, port handling costs and freight costs. Production costs are largely influenced by the inherent grade quality, strip ratios, mining depth, processing technology, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. All of the Group's businesses are affected by increases in costs of inputs, particularly in respect of power, fuels, labour, transport, equipment and consumables.

Production volume has a substantial effect on the results of operations of the Group's industrial activities. Under normal circumstances, the Group can sell all of its production, albeit potentially with quality discounts and/or penalties for deleterious elements, so its industrial asset revenue generally fluctuates as a result of changes in realised prices and production volumes. Production volume is dependent on the Group's production capacity.

The Group has the ability to increase its production capacity for certain commodities by restarting latent capacity, particularly in copper and cobalt, with the option to restart Mutanda, subject to market conditions and feasibility study validation. Per unit production costs are also significantly affected by changes in production volume, as, *prima facie*, higher volumes reduce per unit production costs, given the generally high fixed cost mix in the Group's industrial activities business. Therefore, the Group's production levels are a key factor in determining its overall competitiveness and profitability. In pandemic conditions, the decision of whether and when to idle or restart production capacity may be influenced by non-economic factors.

The Group's major industrial assets are mainly long life and low cost, reflecting the substantial investment into existing assets as well as the Group's appetite, capabilities and belief in commodities and geographies where its peers are not present. The Group's industrial activities focus on controlling costs and generating sustainable operating and capital efficiencies. The Group has the ability to scale back or "mothball" operations in these regions, for example, as it has done at Mutanda, where it is commercially warranted and when considering the likely impact on the price of a traded commodity. Scale backs or shutdowns in production, whether temporary or extended, can have an impact on the Group's results. In 2020, both coal and oil production decreased materially as a result of COVID-19 related shut downs and assets being placed on extended care and maintenance. The Group regularly assesses its production and maintenance schedules and planned or unplanned production scale backs or shutdowns in the future, whether for maintenance or otherwise, may similarly impact the Group's financial results.

***Identifying and responding to global macroeconomic trends and exploiting physical commodity arbitrage opportunities as they arise***

The Group's long-term experience in the commodities markets has allowed it to build up extensive market knowledge and insight. The Group believes that being a major global physical marketer of commodities with leading market positions in its key commodities enables it to, among other things, maintain knowledge of local market supply and demand dynamics and respond quickly to changes in market conditions and characteristics and gain significant insight into trade flows and marketing requirements. This enables the Group to have continuous price discovery of the commodities it produces and/or markets and rapid identification and investigation of arbitrage opportunities in respect of those commodities. In addition, the Group's industrial assets are strategically important to, among other things, generate additional market information, including local information in the countries and regions in which the industrial assets are based.

Many of the physical commodity markets in which the Group operates are geographically dispersed, fragmented and/or periodically volatile. Discrepancies often arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities, whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. Whilst the strategies used by the Group's business segments to generate margins vary from commodity to commodity, the main arbitrage strategies can be generally described as being geographic, product- and time-related. The Group's ability to successfully identify and implement marketing strategies to take advantage of potential arbitrage opportunities throughout the physical commodity supply chain will impact its results of operations. Failure of such opportunities to present themselves or the Group's inability to exploit such opportunities will negatively impact its results of operations.

Arbitrage opportunities are generally enhanced by global and regional price volatility and instability in the various commodities markets, resulting in market disequilibrium. The Group believes that in periods where price components for a particular commodity or group of commodities display relative volatility and, therefore, uncertainty, the number of arbitrage opportunities in such commodities tends to increase, and, in particular, during periods of market tightness (e.g. when inventory levels are low). These market conditions offer

additional opportunities to take advantage of the resulting decoupling in premium and discount structures. Conversely, in periods of reduced volatility in commodity prices, the Group's marketing business tends to have fewer profitable arbitrage opportunities. A relatively flat marketing environment generally reduces price dislocation and, in turn, the number of arbitrage opportunities. The Group also, from time to time, takes unhedged positions in a particular commodity (within set limits and policies), based on its understanding of market dynamics and expectation of future price and/or spread movements.

The Group's marketing activities engage in base supply chain activities that generally provide regular generation of income. These base supply chain activities tend to have a balancing effect against the potential volatility in results as the Group seeks to take advantage of event-driven arbitrage and/or price risk activities. In addition to the informational advantages the Group enjoys via its global network, its sizeable market share and logistics capabilities in many commodities allow it to move quickly in response to arbitrage opportunities, exploiting not only the opportunities afforded by fluctuations and disequilibrium in commodity prices, but the underlying supply and demand dynamics as well.

The results of operations of the Group's marketing activities are impacted by, among other things, the individual business segments' arbitrage opportunities, which are dependent, in part, on the strength of the markets, the price of the relevant commodities and the overall marketing environment (contango or backwardation) that existed at any given time during a relevant period.

***Marketing volumes***

The volume of commodities marketed by the Group is a key driver of the results of operations of the Group's marketing activities. The volume of commodities the Group markets is dependent on its ability to source and finance the purchase of commodities and its ability to then sell these commodities to new and existing customers.

Although volumes of commodities sold is a key factor in understanding the scale of the Group's marketing activities and resulting market position and base earnings potential, as noted above, it is also important to assess the potential of additional value-added services and arbitrage opportunities at various times and the Group's ability to capitalise on such opportunities, on the back of its market presence. There may also be a lag effect in the relationship between earnings and sales volumes; for example, by storing oil and selling forward at a higher price in a future period, the Group is able to generate profits without increasing the volumes sold in the current period.

***Freight rates***

The Group has a large and diversified fleet of vessels operated under various short-term and long-term time charters and commercial management arrangements, with an average remaining fixed charge hire period of approximately three years. This contributes to the marketing results of its business segments, providing immediate access to vessels, which can represent a significant time advantage in exploiting short-term marketing opportunities. Having this resource also gives the Group greater visibility over world trade flows at a particular moment. Due to its internal requirements and the Group's belief in its ability to achieve vessel utilisation above average industry levels, the Group generally has a long position in fleet time chartering, thereby potentially creating a significant exposure to fluctuations in spot freight rates. However, given the nature of the freight market and limited opportunities to hedge all freight price risk, the Group is generally exposed to some degree of future freight price movements on its long-term time charters, not otherwise subject to a hedge, re-let with a third party or to satisfy its own marketing needs.

***Financial performance of associates, other investments and joint ventures***

The Group's results of operations are affected by the financial performance of its associates and other investments, with the Group's share of income from associates and joint ventures and dividends received from interests in other investments contributing directly to the Group's income before income taxes.

The tables below set forth investments in associates and joint ventures as at and for the years ended 31 December 2018, 2019 and 2020:

| | Year ended 31 December | | |
|---|---|---|---|
| **Associates' and joint ventures' share of income** | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| Associates' and joint ventures' Adjusted EBITDA | 2,212 | 1,754 | 2,061 |
| Depreciation and amortisation | (726) | (745) | (683) |
| Associates' and joint ventures' Adjusted EBIT | 1,486 | 1,009 | 1,378 |
| Impairment, net of tax[(1)] | — | (435) | (445) |
| Net finance costs | 7 | 5 | (56) |
| Income tax expense | (536) | (342) | (524) |
| **Share of income/(losses) from relevant material associates and joint ventures** | **957** | **237** | **353** |
| Share of income from Viterra | (8) | (15) | 211 |
| Share of income from other associates | 94 | (108) | (120) |
| **Share of income from associates and joint ventures** | **1,043** | **114** | **444** |

Note:

(1) Glencore's attributable share of impairments relating to Cerrejón amounting to U.S.$435 million in 2019, net of taxes of U.S.$213 million, and U.S.$445 million in 2020, net of taxes of U.S.$211 million, resulting in each case from lower API2 coal price assumptions and reduced production estimates, including in relation to updated mine-life approval expectations.

| | As at 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| **Carrying value of associates and joint ventures** | | | |
| Cerrejón | 1,689 | 1,143 | 595 |
| Antamina | 3,237 | 3,295 | 3,200 |
| **Total material associates** | **4,926** | **4,438** | **3,795** |
| Collahuasi | 3,018 | 2,968 | 2,991 |
| Viterra | 3,184 | 3,158 | 3,371 |
| **Total material joint ventures** | **6,202** | **6,126** | **6,362** |

| | As at 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| **Total investment in material associates and joint ventures** | **11,128** | **10,564** | **10,157** |

***Significant items***

Significant items are items of income and expense which, due to their nature and variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of the Group's results to provide a better understanding and comparative basis of the underlying financial performance.

The table below shows significant items for the years ended 31 December 2018, 2019 and 2020:

| | Year ended 31 December | | |
|---|---|---|---|
| **Significant items** | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| Share of associates' significant items | (40) | (292) | (92) |
| Movement in unrealised inter-segment profit elimination | 237 | 468 | (760) |
| (Gain) on disposals of non-current assets | (139) | (43) | (36) |
| Other income/(expense) – net | (764) | (173) | (173) |
| Impairments of non-current assets | (1,452) | (2,322) | (5,715) |
| Impairments of non-current financial assets | (191) | (86) | (232) |
| Impairment of Cerrejón, net of tax | — | (435) | (445) |
| Income tax (expense)/credit | (302) | (249) | 1,476 |
| Non-controlling interests' share of significant items | 294 | 286 | 1,589 |
| | (2,357) | (2,846) | (4,388) |

In the year ended 31 December 2020, the Group recognised net expenses from significant items of U.S.$4,388 million, compared to net expenses from significant items of U.S.$2,846 million in 2019. The net expenses from significant items in 2020 primarily comprised impairments of U.S.$6,392 million, which were partly offset by income tax credits of U.S.$1,476 million and non-controlling interests' share of the significant items of U.S.$1,589 million. The impairments of non-current assets primarily related to: Volcan (U.S.$2,347 million, resulting in an amount attributable to the Group of U.S.$380 million (after tax and non-controlling interest)), reflecting revised confidence levels in deploying capital to longer-term greenfield projects and resources following a review of the life of mine plan and related expansion projects that was conducted due to the impact of COVID-19; copper operations at Mopani (U.S.$1,041 million), due to persistent operational challenges, results from further technical analysis, delays in key development projects and cost increases and the decision to transition mining operations to care and maintenance, ultimately resulting in an agreed sale to ZCCM, expected to close in the first half of 2021; oil operations in Chad (U.S.$673 million), following the oil fields being placed on care and maintenance due to the significant impact on oil prices from COVID-19, as well as disrupted and restricted international mobility impacting the Group's workforce arrangements; the Astron oil

refinery (U.S.$480 million), reflecting lower projected oil refining margins due to the impact of COVID-19 on refined petroleum product demand and the resulting global refinery overcapacity; coal operations at Prodeco (U.S.$835 million) following operations being placed on care and maintenance, challenges with respect to obtaining several key approvals from government agencies and other key stakeholders and a subsequent decision to relinquish the mining licenses with the full carrying value of the mining operations at Prodeco being impaired; Cerrejón (U.S.$445 million), recognised within share of income from associates relating to the Group's investment in the Colombian coal operation, and which results from lower API2 coal price assumptions and reduced production estimates, including updated mine-life approval expectations; and the chrome smelter at Lydenburg in South Africa (U.S.$116 million), reflecting the challenging operating, cost and market environment across the South African ferrochrome industry, necessitating that the Group make production and cost reductions. Other significant items were expenses of U.S.$92 million relating to the Group's share of significant expenses recognised directly by associates (none of which were individually material), a loss on disposals of non-current assets of U.S.$36 million and an income tax credit of U.S.$1,476 million. The balance of net other income/(expenses) of U.S.$173 million principally comprised mark-to-market gains on equity investments and derivative positions accounted for as held for trading, which offset losses on foreign exchange movements, costs relating to certain legal matters and the ongoing investigations, closure and severance costs, costs related to the suspension of operations at Prodeco and the closure of the Aguilar zinc mine in Argentina.

In 2019, the Group recognised U.S.$2,846 million of net expense related to significant items. The net expense primarily comprised impairments of U.S.$2,843 million related to: coal operations in Prodeco (U.S.$514 million), owing to global LNG oversupply with resultant low spot natural gas prices, and to a lesser extent, higher European Union carbon prices, which placed considerable pressure on the API2 European coal market, the primary price reference market for Colombian coal; oil operations in Chad (U.S.$538 million), resulting from the expensing of historical cost allocation to certain oil exploration licenses; Cerrejón (U.S.$435 million), recognised within share of income from associates relating to the Group's investment in a Colombian coal operation; Mutanda copper operations (U.S.$300 million), owing to the decline in cobalt prices and the transition to temporary care and maintenance; Oxidos and Cerro de Pasco operations (U.S.$378 million) following reclassification of these operations to "held for sale" pending their disposal, originally expected in 2020; and U.S.$162 million in VAT impairments predominantly related to overdue VAT claims in Zambia. The portion of impairments related to non-current financial assets principally relates to fair value movements of negative U.S.$39 million relating to a loan arrangement accounted for at fair value through profit and loss. Other significant items were expenses of U.S.$292 million relating to the Group's share of significant expenses recognised directly by associates, notably impairments and gains on revaluations of investments in Glencore Agri (net U.S.$73 million), impairments in Trevali (U.S.$65 million) and Oil vessels' entities (U.S.$62 million), a loss on disposals of non-current assets of U.S.$43 million related to the revaluation of the Group's existing interest prior to acquisition of a controlling interest in Polymet Mining Corp. and an income tax expense of U.S.$249 million, partly offset by the change in provision for unrealised inter-segment profit. The balance of other income/(expenses) of U.S.$173 million principally comprised mark-to-market gains on equity investments and derivative positions accounted for as held for trading, asset loss on foreign exchange movements, costs relating to various investigations and certain other legal matters and costs related to the transition of Mutanda to temporary care and maintenance, offset by gains relating to the reversal of a provision for costs and liabilities incurred following the termination of the consortium agreement relating to the Group's investment in Rosneft.

In 2018, the Group recognised U.S.$2,357 million of net expense related to significant items. The net expense reflected impairments of U.S.$1,643 million related primarily to the Mopani copper operations in Zambia (U.S.$803 million), the Mutanda copper operations in the DRC (U.S.$600 million) and loans extended under prepayment and other arrangements (U.S.$191 million). The net expense also reflected a U.S.$40 million expense representing the Group's share of significant expenses recognised directly by its associates, primarily

impairment charges recognised within Century Aluminum and Glencore Agri, a loss on disposals and investments of U.S.$139 million related to the disposal of the Group's interest in the Mototolo platinum joint venture in South Africa, mainly on account of recycling foreign currency translation reserves to the statement of income, and other expenses of U.S.$764 million. These other expenses comprised U.S.$142 million of acquisition related expenses incurred in connection with the acquisitions of HVO and Hail Creek, primarily stamp duty and property transfer related taxes, U.S.$58 million of net foreign exchange losses, U.S.$86 million related to certain legal matters, U.S.$325 million related to costs and liabilities that the Group assumed following the termination of a 50:50 consortium arrangement with Qatar Investment Authority and the consortium's investment in Rosneft, partially offset by U.S.$139 million of mark-to-market gains on equity investments and derivative positions accounted for as held for trading. A further U.S.$270 million was incurred in recapitalising KCC and settling various historical commercial disputes with Gécamines. The recapitalisation of KCC concluded in June 2018 with the conversion of U.S.$5.6 billion of intercompany debt into equity, with U.S.$1.4 billion of that share capital passed onto Gécamines to maintain its 25 per cent. interest in KCC.

## Recent Developments

### *COVID-19*

The scale and diversity of the Group's operations have meant that the impact of the COVID-19 pandemic has varied by location. Although some of the Group's industrial assets were required to temporarily suspend operations during the year in line with national and regional guidance, or where the Group's risk assessment determined it was appropriate to do so, the majority of assets continued to operate relatively normally after implementation of appropriate precautionary measures. Across the industry, the impacts were more notable in Peru, South Africa and Colombia, while Australia and Canada were relatively unaffected. The cumulative impacts of mine supply disruption helped to offset the initial demand shock from rapid lockdowns and the corresponding slowdown in global economic activity.

The Group has quickly moved to reposition its business in light of the changing macroeconomic environment. The Group's liquidity position has been reinforced through the refinancing and extension of its Revolving Credit Facilities on the same commercial terms as previously in place. Industrial asset capex was cut to U.S.$4,144 million in 2020 (down from a previous estimated range of U.S.$4-4.5 billion) from asset curtailments and associated capex savings, various deferrals and lower equivalent USD costs due to generally weaker producer currencies and lower input costs, particularly through oil price changes.

### *Mopani*

As a result of persistent operational challenges, further technical analysis resulting in a reduced life of mine forecast, delays in key development projects and cost increases owing to inflation, tax and other regulatory pressures, a decision was made, in the second quarter of 2020, to place the Mopani copper operations in Zambia on extended care and maintenance, subject to government approval. In January 2021 an agreement was reached to sell the Group's controlling interest in Mopani to a minority shareholder, ZCCM for U.S.$1, leaving U.S.$1.5 billion of loans to the Group outstanding, where the pace and size of repayment instalments is linked to Mopani's future production and copper prices. The sale completed in March 2021. The Group has retained offtake rights in respect of Mopani's copper production until the debt has been repaid in full.

### *Prodeco*

Prodeco has been on temporary care and maintenance since March 2020. During the first half of 2020, pressure on the API 2 European coal market increased as European economies continue to progress their decarbonisation trajectory, exacerbated by the significant drop in oil and gas prices. A review of Prodeco's operations determined that, in addition to a deteriorating market environment, there were increasing challenges with respect to

obtaining several key approvals from government agencies and other key stakeholders. In the second quarter of 2020, an application was therefore made to place Prodeco on extended care and maintenance until these conditions improve. In December 2020, the application was rejected. On 4 February 2021, the Group announced that Prodeco would commence the process of handing its mining contracts back to the Republic of Colombia through the National Mining Agency and that the mines would remain on care and maintenance until the formal process of relinquishing the contracts was complete. The port will continue to operate in line with its obligations as a public service port. Prodeco's key priority is its workforce and local communities. Prodeco will engage with its employees, contractors and host communities on the impact of relinquishing the mining licenses. Prodeco has re-commenced the voluntary redundancy programme which significantly exceeds the statutory requirements under Colombian law. This process will also be supported by a social transition programme for the workforce and the communities surrounding Prodeco's operations.

***Management and governance changes***

The Group has announced that Ivan Glasenberg will retire as CEO and as a member of the Board on 30 June 2021 and will be succeeded by Gary Nagle. Mr Glasenberg will seek re-election to the Board at the 2021 Annual General Meeting taking place on 29 April 2021 (the "2021 AGM") for a term expiring on 30 June 2021.

On 2 February 2021, Cynthia Carroll was appointed as Independent Non-Executive Director of the Company, following the retirement of Leonhard Fischer as Independent Non-Executive Director on 31 December 2020.

The Group has announced that John Mack will retire from the Board with effect from the 2021 AGM.

***Extension of revolving credit facilities***

In March 2021, the Group extended its revolving credit facilities. In line with the Group's stated strategy of managing its net debt to the lower end of its U.S.$10 to 16 billion target range, and then sustainably maintaining this lower level, the aggregate facilities have been reduced to U.S.$12.7 billion through a voluntary cancellation. The extended facilities are for general corporate purposes and comprise (i) U.S.$8.07 billion 12-month revolving credit facilities with a 12-month term-out option at the borrower's discretion and (ii) U.S.$4.65 billion revolving credit facility with final maturity in May 2026. The margins on the facilities remain the same as in 2020.

## Description of key line items

The following discussion sets out the key line items in the results of the Group for the years ended 31 December 2018, 2019 and 2020.

***Revenues***

The Group generates revenue from the sale of physical commodities and marketing advisory and related services. In most instances, sales revenue is recognised when title to the product passes to the customer, which could be delivery onto the vessel on which it is shipped, a destination port or the customer's premises. As commodity prices are often volatile, the Group believes that overall revenues are neither a reliable nor a relevant indicator of the performance of the Group or of its individual business segments. Instead, the Group believes that Adjusted EBIT/EBITDA (revenue less costs of goods sold and selling and administrative expenses plus share of income from associates and joint ventures, dividend income and the attributable share of underlying Adjusted EBIT/EBITDA of certain associates and joint ventures, plus, in the case of Adjusted EBITDA, depreciation and amortisation) are key measures to evaluate the operating performance of the Group.

For certain commodities, the sales price is determined on a provisional basis at the date of sale, as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 180 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated

fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices. The Group records revenues in its physical commodity marketing business on a gross basis, rather than on the basis of the net margin or premiums received.

Following the IFRIC agenda decision on the Physical Settlement of Contracts to Buy or Sell a Non-Financial Item, the Group's revenue and cost of goods sold for the year ended 31 December 2018 have been restated. Please see "*Presentation of Information – Restatement of results for the year ended 31 December 2018*" for further details.

***Cost of goods sold***

Cost of goods sold primarily includes the following:

- cost of marketing inventories sold and related distribution and storage costs;
- cost of extracting, refining and processing products related to the consolidated industrial assets, including personnel costs and depreciation and amortisation of property, plant and equipment and reserves;
- unrealised gains and losses from changes in the fair value of marketing inventories;
- unrealised gains and losses from changes in the fair value of derivatives held to hedge movements in commodity prices; and
- other operating expenses.

Cost of goods sold also includes, as required, write-downs of inventories where such inventories are carried at the lower of cost or net realisable value.

***Selling and administrative expenses***

Selling and administrative expenses represent costs that are primarily semi-fixed in nature and attributable to the Group's marketing activities, with the exception of the variable bonus pool. Payroll expenditure is the largest component of this line item, with the variable bonus pool generally constituting a sizeable part of the payroll expenditure.

***Share of income from associates and joint ventures***

Share of income from associates and joint ventures represents income from associates and joint ventures in which the Group exercises significant influence or joint control that are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Significant influence is presumed if the Group holds between 20 per cent. and 50 per cent. of the voting rights, unless evidence exists to the contrary. Joint control is the contractually agreed sharing of control, an arrangement which exists only when decisions about relevant strategic and/or key operating decisions require unanimous consent of the parties sharing control. Equity accounting involves the Group recording its share of the entity's net income and equity. The Group's interest is initially recorded at cost and is subsequently adjusted for the Group's share of changes in net assets of the entity less any impairment in the value of individual investments.

***Other income/(expense) – net***

Together with foreign exchange gains/(losses) and mark to market movements on investments held for trading, other income/(expense)– net includes other significant items of income and expense which due to their nature

and variable financial impact or infrequency of the events giving rise to these items, are reported separately from operating segment results. Other income/(expense)– net includes, but is not limited to, revaluation of previously held interests in business combinations, restructuring and closure costs.

***Impairment of non-current assets***

Impairment of non-current assets is determined by the Group on an annual basis. The Group conducts an internal review of asset values, which are determined by discounted cash flow techniques based on the most recently approved financial budgets and three-year business plans, which are underpinned and supported by life-of-mine plans of the respective operations. This information is used to assess if there are any indications of impairment or to determine whether a previously recorded impairment may no longer be required (except for goodwill impairments which cannot subsequently be reversed).

If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded in the consolidated statement of income/(loss) to reflect the asset at the lower amount.

***Impairment of financial assets***

Impairment of financial assets represents a financial asset that the Group writes off when there is information that a debtor is in severe financial difficulty and there is no realistic prospect of recovery. The Group enters into physical advances and prepayment agreements with certain suppliers and customers. The Group reviews these agreements regularly for evidence of default, which figures in the Group's expected credit loss calculations.

***Interest income***

Interest income reflects interest received from cash deposits and loans extended by the Group. Interest income is recognised when a right to receive a payment has been established, it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

***Interest expense***

Interest expense comprises interest incurred on the Group's fixed- and floating-rate borrowings.

***Income tax expense***

Income tax expense consists of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the balance sheet date and expected current taxable income and any adjustment to tax payable in respect of previous years. Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, using enacted or substantively enacted income tax rates.

The difference between the Group's statutory and effective tax rates results primarily from the location of the Group's operations in differing tax jurisdictions relative to the Group's tax jurisdiction, Switzerland. The Group's effective tax rate excludes income from associates and dividend income, which are recorded post tax. Intra-Group transactions are conducted on an arm's length basis and incorporate all relevant terms and conditions.

**Volcan**

In November 2017, the Group completed the acquisition of additional shares in Volcan, thereby increasing its total economic interest from 7.7 per cent. to 23.3 per cent. (compared to its 63.0 per cent. voting interest). This voting interest and certain governance provisions bring Volcan within the scope of consolidation, notwithstanding the 23.3 per cent. economic interest. As the Group holds the majority of the voting shares, providing it the ability to appoint a controlling number of directors to the board, the Group is required to account

for Volcan using the full consolidation method in accordance with IFRS 10. However, for internal reporting and analysis, management evaluates the performance of Volcan under the equity method, due to the relatively low economic interest held by the Group. The impact is that the Group reflects 23.3 per cent. of Volcan's net income in the Group's Adjusted EBIT/EBITDA, rather than Volcan's consolidated Adjusted EBIT/EBITDA, the difference between such being Volcan's interest, tax, depreciation and amortisation and the share of earnings attributable to non-controlling interests. Volcan's results are excluded from all other adjusted performance measures including production data.

## Changes in segmental reporting

In 2019, key members of the Group's metals and minerals, energy products and agricultural products divisions retired and a new position with oversight and responsibility for all of Glencore's industrial assets (Head of Industrial Assets) was created. Internal reporting lines and organisational structures were amended such that Glencore's industrial activities report to the Head of Industrial Assets and all of its marketing activities report to the Head of Marketing (being the Group's CEO). The change in oversight and responsibility for the two differing parts of the Group's business (marketing and industrial) and associated remuneration has resulted in a change in the 'chief operating decision makers' reporting and accountability structures and, with it, the Group's reportable segments. Aligning with the new executive structure and respective operational oversight and responsibility, the new reportable segments are industrial activities and marketing activities.

Following the change in reporting structure, each of the industrial activities and marketing activities segments covers the Group's main commodity divisions: metals and minerals and energy products, with the Group's marketing activities underpinned by ownership interests in controlled and non-controlled industrial assets. The Group's activities related to agricultural products are operated through Viterra, a joint venture in which the Group has a 49.9 per cent. ownership interest, and are now reported through the marketing activities business segment within "corporate and other" activities.

## Group results for the three years ended 31 December 2020

### *Adjusted EBIT*

*2020*

Adjusted EBIT for the year ended 31 December 2020 was U.S.$4,416 million, an increase of 6 per cent. over the year ended 31 December 2019. The increase was largely due to the marketing activities segment benefitting from market volatility, dislocation and supportive pricing curve structures. This was partially offset by the impact on the industrial activities segment of lower commodity prices, as well as production and cost impacts related to COVID-19 curtailments and constraints, particularly in the first half of 2020, with a stronger second half against a backdrop of recovering economies and higher prices, aided by accommodative monetary conditions and governmental fiscal support.

Adjusted EBIT for the year ended 31 December 2020 by business segment and division was as follows:

| | **Marketing activities** | **Industrial activities** | **2020 Adjusted EBIT** |
|---|---|---|---|
| | | *(U.S.$ million)* | |
| Metals and minerals | 1,667 | 3,054 | 4,721 |
| Energy products | 1,761 | (1,365) | 396 |
| Corporate and other[(1)] | (89) | (612) | (701) |
| **Total** | **3,339** | **1,077** | **4,416** |

Note:

(1) "Corporate and other" marketing activities includes U.S.$211 million pre-significant items of the Group's equity accounted share of Viterra.

Marketing Adjusted EBIT for the year ended 31 December 2020 was U.S.$3,339 million, an increase of 41 per cent. over the year ended 31 December 2019. This result was driven by extreme levels of market volatility amid rapidly and materially changing underlying supply and demand scenarios primarily as a result of the COVID-19 pandemic, as well as OPEC+'s supply response deliberations following the precipitous drop in oil prices in the second quarter of 2020, a rebound in demand for commodities coupled with supply constraints in the second half of 2020 and various other geopolitical factors. This backdrop provided overall supportive physical commodity marketing conditions. Marketing Adjusted EBIT in the metals and minerals division for the year ended 31 December 2020 increased 53 per cent. over the year ended 31 December 2019, or 16 per cent., adjusting for the U.S.$350 million of largely non-cash cobalt accounting losses recognised in 2019. Marketing Adjusted EBIT for the energy products division for the year ended 31 December 2020 increased 33 per cent. over the year ended 31 December 2019, reflecting exceptional price movements and dislocations across crude oil and refined products, combined with extremely high demand for and prices of storage and logistics. The Group's 50 per cent. share of earnings from Viterra in the year ended 31 December 2020 was U.S.$211 million (post-interest and tax) compared to U.S.$58 million in the year ended 31 December 2019, also reflecting good business opportunities captured during the year and strong procurement margins on the back of generally healthy crop sizes.

Industrial Adjusted EBIT for the year ended 31 December 2020 was U.S.$1,077 million, a decrease of 40 per cent. from the year ended 31 December 2019. The decrease was primarily driven by overall weaker average year-on-year commodity prices (notably copper, zinc, ferrochrome, coal and oil) and production curtailments introduced in response to the COVID-19 pandemic, notably in our coal and oil operations in Colombia, South Africa and Chad, followed by market-related supply reductions in Australia through the second half of the year.

*2019*

Adjusted EBIT for the year ended 31 December 2019 was U.S.$4,151 million, a decrease of 54.6 per cent. from the year ended 31 December 2018. The decrease was driven primarily by lower commodity prices and production. In particular, the year-over-year average price of cobalt decreased 57 per cent. driven by material oversupply in the market. Coal prices decreased 27 per cent., primarily attributable to the Atlantic steam coal market which was heavily impacted by low competing natural gas prices. Copper prices decreased 8 per cent., ferrochrome prices decreased 14 per cent. and zinc prices decreased 13 per cent. from 2018 to 2019. In addition to these negative macro influences, Adjusted EBIT was impacted by the operational challenges in the Group's African copper portfolio and the slow ramp-up of the Group's Koniambo nickel operations.

Adjusted EBIT for the year ended 31 December 2019 by business segment and division was as follows:

| | **Marketing activities** | **Industrial activities** | **2019 Adjusted EBIT** |
|---|---|---|---|
| | | *(U.S.$ million)* | |
| Metals and minerals | 1,089 | 1,016 | 2,105 |
| Energy products | 1,324 | 1,274 | 2,598 |
| Corporate and other[(1)] | (47) | (505) | (552) |
| **Total** | **2,366** | **1,785** | **4,151** |

Note:

(1) "Corporate and other" marketing activities includes U.S.$58 million pre-significant items of the Group's equity accounted share of Viterra.

Marketing Adjusted EBIT for the year ended 31 December 2019 was U.S.$2,366 million, a decrease of 2.0 per cent. from the year ended 31 December 2018. Marketing Adjusted EBIT in the metals and minerals division decreased 37.5 per cent. from the year ended 31 December 2018, primarily due to challenging cobalt markets in the first half of the year and resulting inventory write-down on material sourced from the Group's mines in earlier periods and some overall softening in end user demand due to the global trade tensions that prevailed for most of 2019. Marketing Adjusted EBIT in the energy products division for the year ended 31 December 2019 increased 78.4 per cent. over the year ended 31 December 2018, reflecting the strong performance of the oil department as it delivered particularly strong results on the back of supportive physical commodity marketing conditions.

Industrial Adjusted EBIT was U.S.$1,785 million for the year ended 31 December 2019, a decrease of 73.5 per cent. from the year ended 31 December 2018. The decrease was primarily driven by weaker average year-over-year commodity prices notably in the coal markets, primarily impacted by weaker European demand, and ferrochrome and cobalt, where markets were in oversupply throughout much of the year. Industrial Adjusted EBIT was also impacted by operational and cost challenges in the Group's African copper portfolio. In particular, Mutanda's copper production was 49 per cent. lower compared to the prior year as it scaled down operations and subsequently transitioned to care and maintenance. Katanga, although recording higher cobalt production, limited sales as it manages through a period of excess uranium content and delays in required drying capacity commissioning. Mopani's copper metal production was 64 per cent. lower as, in June 2019, it accelerated its major triennial smelter shut down (from the 2020 schedule) and brought forward various other planned maintenance activities by six months to address safety-related issues.

*2018*

Adjusted EBIT for the year ended 31 December 2018 was U.S.$9,143 million, an increase of 8.0 per cent. over the year ended 31 December 2017. The increase was driven primarily by higher commodity prices and production increases, offset by cost inflation, lower grades for some by-products and reduced third-party smelting profitability. In particular, the year-over-year average price of cobalt increased 30 per cent., the price of nickel increased 26 per cent., the price of coal increased 21 per cent. and the price of copper increased 6 per cent., although most year-end prices (except coal) were significantly lower than the yearly average. The positive impact of the higher prices and increased copper and cobalt production, notably from Katanga following its successful restart and ramp-up from December 2017, was tempered by increasing commodity linked input costs, such as oil and reagents and some overall inflationary cost pressures in the industry. The latter, including where general country inflation ran high (e.g. Argentina), was somewhat offset by a strengthening U.S. dollar (on average) against many of the Group's key producer country currencies. Average year over year increases in the U.S. dollar against the Kazakhstani tenge and the Australian dollar were 6 per cent. and 3 per cent., respectively.

Adjusted EBIT for the year ended 31 December 2018 by business segment and division was as follows:

| | **Marketing activities** | **Industrial activities** | **2018 Adjusted EBIT** |
|---|---|---|---|
| | | *(U.S.$ million)* | |
| Metals and minerals | 1,742 | 4,053 | 5,795 |
| Energy products | 742 | 3,209 | 3,951 |
| Corporate and other[(1)] | (70) | (533) | (603) |

| | Marketing activities | Industrial activities | 2018 Adjusted EBIT |
|---|---|---|---|
| | | *(U.S.$ million)* | |
| **Total** | **2,414** | **6,729** | **9,143** |

Note:

(1) "Corporate and other" marketing activities includes U.S.$21 million pre-significant items of the Group's equity accounted share of Glencore Agri.

Marketing Adjusted EBIT for the year ended 31 December 2018 was U.S.$2,414 million, a decrease of 17.0 per cent. from the year ended 31 December 2017. Marketing Adjusted EBIT in the metals and minerals division in the year ended 31 December 2018 decreased 13.0 per cent. from the year ended 31 December 2017, reflecting challenging market dynamics within the alumina and cobalt markets in the second half of the year, outweighing generally healthy underlying demand and supportive physical commodity market conditions. Marketing Adjusted EBIT in the energy products division in the year ended 31 December 2019 decreased 25.0 per cent. from the year ended 31 December 2017, reflecting the strong 2017 base, a reduction in trading opportunities due to oil forward curves being in backwardation for the majority of the year, and a more cautious approach to coal marketing opportunities from an expected risk/return perspective, with 11 per cent. lower thermal volumes.

Industrial Adjusted EBIT for the year ended 31 December 2018 increased to U.S.$6,729 million or 21.5 per cent. over the year ended 31 December 2017. The increase was driven by stronger average year-over-year commodity prices and increased copper and coal production, partially offset by cost increases and inflation (net of foreign exchange benefits).

***Revenue***

Revenue for year ended 31 December 2020 was U.S.$142,338 million, a 34 per cent. decrease from U.S.$215,111 million for the year ended 31 December 2019, primarily driven by lower commodity prices and production curtailment as a result of the COVID-19 pandemic impacting the industrial segment, in particular, the energy products division.

Revenue for the year ended 31 December 2019 was U.S.$215,111 million, a 2.5 per cent. decrease from U.S.$220,524 million in the year ended 31 December 2018, principally attributable to lower commodity prices.

***Cost of goods sold***

Cost of goods sold for year ended 31 December 2020 was U.S.$138,640 million, a 34 per cent. decrease from U.S.$210,434 million for the year ended 31 December 2019, reflecting lower production levels at the Group's industrial activities.

Cost of goods sold for the year ended 31 December 2019 was U.S.$210,434 million, broadly consistent with U.S.$211,468 million for the year ended 31 December 2018.

***Selling and administrative expenses***

Selling and administrative expenses for the year ended 31 December 2020 was U.S.$1,681 million, a 21 per cent. increase from U.S.$1,391 million for the year ended 31 December 2019, driven primarily by variable bonus arrangements, including in connection with the strong results in the marketing segment during the period.

Selling and administrative expenses for the year ended 31 December 2019 was U.S.$1,391 million, broadly consistent with U.S.$1,381 million for the year ended 31 December 2018.

***Share of income from associates and joint ventures***

Share of income from associates and joint ventures for the year ended 31 December 2020 was U.S.$444 million, a 289 per cent. increase from U.S.$114 million for the year ended 31 December 2019. This reflected strong contributions from Collahuasi and Viterra, partially offset by a continuing decrease in income from Cerrejón, as well as from Antamina (which was subject to a temporary suspension due to COVID-19).

Share of income from associates and joint ventures for the year ended 31 December 2019 was U.S.$114 million, an 89.1 per cent. decrease from U.S.$1,043 million for the year ended 31 December 2018. The decrease was principally due to a significant decrease in income from Cerrejón, reflecting lower demand in the Atlantic coal market and the impairment of U.S.$435 million, as described in "*—Significant items"* above.

***(Loss)/gain on disposals and investments***

Loss on disposals and investments for the year ended 31 December 2020 was U.S.$36 million, a 16 per cent. decrease from U.S.$43 million for the year ended 31 December 2019. The loss in 2020 was primarily attributable to disposal of property, plant and equipment.

Loss on disposals and investments for the year ended 31 December 2019 was U.S.$43 million, a 69 per cent. decrease from U.S.$139 million for the year ended 31 December 2018. The loss in 2019 was primarily attributable to the Group's acquisition of an additional 42.9 per cent. interest in Polymet Mining Corp. which led to a revaluation of its existing interest at the date of the acquisition and resulted in a reported loss of U.S.$38 million.

***Other income/(expense) – net***

Other expense – net for the year ended 31 December 2020 was U.S.$173 million, in line with the U.S.$173 million for the year ended 31 December 2019. This expense primarily comprised U.S.$192 million net loss on foreign exchange movements, U.S.$113 million of costs related to various legal matters and the ongoing investigations and U.S.$214 million of costs relating to suspension of operation at Prodeco coal and the closure of the Aguilar zinc mine, which were partially offset by U.S.$438 million of mark-to-market gains on equity investments and derivative positions accounted for as held for trading, including the commodity price linked deferred consideration related to the sale of Mototolo in 2018.

Other expense – net for the year ended 31 December 2019 was U.S.$173 million, compared to other expense– net of U.S.$764 million for the year ended 31 December 2018. The 2019 expense primarily comprised U.S.$159 million relating to certain legal matters, U.S.$173 million of closure and severance costs related to transitioning Mutanda's operations to temporary care and maintenance, the ongoing mine optimisation review at Katanga and the closure of the Brunswick lead smelter, and a U.S.$70 million loss on net foreign exchange movements, partly offset by a U.S.$325 million gain relating to settlement of an outstanding claim, through the effective sale of previously recognised liabilities that the Group assumed in 2018, following termination of a 50:50 consortium with Qatar Investment Authority and its associated investment in OSJC Rosneft and U.S.$47 million of mark-to-market gains on equity investments and derivative positions accounted for as held for trading.

***Impairment of non-current assets***

The Group recorded impairments of non-current assets of U.S.$5,715 million, U.S.$2,322 million and U.S.$1,452 million for the years ended 31 December 2020, 2019 and 2018, respectively. For a discussion of these impairments, see "*—Key factors affecting results of operations and financial condition—Significant items*" above.

### *Impairment of financial assets*

The Group recorded impairments of financial assets of U.S.$232 million, U.S.$86 million and U.S.$191 million for the years ended 31 December 2020, 2019 and 2018, respectively. For a discussion of these impairments, see "*—Key factors affecting results of operations and financial condition—Significant items*" above.

### *Interest income*

Interest income for the year ended 31 December 2020 was U.S.$120 million, a 47 per cent, decrease from U.S.$227 million for the year ended 31 December 2019, primarily due to lower interest rates.

Interest income for the year ended 31 December 2019 was U.S.$227 million, largely consistent with U.S.$228 million for the year ended 31 December 2018.

### *Interest expense*

Interest expense for the year ended 31 December 2020 was U.S.$1,573 million, a 19 per cent. decrease compared to U.S.$1,940 million for the year ended 31 December 2019, driven primarily by lower interest rates.

Interest expense for the year ended 31 December 2019 was U.S.$1,940 million, an 11.4 per cent. increase from U.S.$1,742 million for the year ended 31 December 2018. The increase was primarily attributable to moderately higher average gross debt balances, along with additional lease interest costs, following the adoption of IFRS 16.

### *Income tax expenses*

A net income tax credit of U.S.$1,170 million was recognised in the year ended 31 December 2020, compared to U.S.$618 million in the year ended 31 December 2019. Adjusting for U.S.$1,476 million of net income tax expense related to significant items (primarily impairments and tax losses recognised/not recognised), the 2020 pre-significant items income tax expense was U.S.$306 million. The 2020 effective tax rate, pre-significant items, was 29.7 per cent., consistent with the 30.5 per cent. in 2019.

A net income tax expense of U.S.$618 million was recognised in the year ended 31 December 2019, compared to U.S.$2,063 million in the year ended 31 December 2018. Adjusting for a U.S.$249 million of net income tax expense related to significant items (primarily impairments and tax losses not recognised), the 2019 pre-significant items income tax expense was U.S.$369 million. The 2019 effective tax rate, pre-significant items, was 30.5 per cent., consistent with the 30.3 per cent. in 2018.

## Liquidity and capital resources

### *Cash flow*

The following table summarises the Group's cash flow statement for the periods indicated:

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| Cash generated by operating activities before working capital changes | 13,210 | 10,346 | 8,568 |
| Total working capital changes | 1,325 | 2,088 | (4,010) |
| Income taxes paid | (1,740) | (2,301) | (820) |
| Net interest paid | (1,236) | (1,404) | (1,074) |

| | Year ended 31 December | | |
|---|---|---|---|
| | **2018** | **2019** | **2020** |
| | | *(in U.S.$ millions)* | |
| **Net cash generated/(used) by operating activities** | **11,559** | **8,729** | **2,664** |
| Net cash used by investing activities | (7,293) | (3,716) | (2,711) |
| Net cash (used)/generated by financing activities | (4,334) | (5,147) | (320) |
| Decrease in cash and cash equivalents | (68) | (134) | (367) |

*Cash generated by operating activities before working capital changes*

Cash generated by operating activities before working capital changes in the year ended 31 December 2020 was U.S.$8,568 million, a decrease of 17 per cent. compared to U.S.$10,346 million in the year ended 31 December 2019, primarily reflecting lower commodity prices and production levels as a result of COVID-19.

Cash generated by operating activities before working capital changes in the year ended 31 December 2019 was U.S.$10,346 million, a decrease of 21.7 per cent. compared to U.S.$13,210 million in the year ended 31 December 2018, primarily reflecting lower commodity prices and production levels.

*Working capital changes*

Net working capital cash outflows were U.S.$4,010 million in the year ended 31 December 2020 compared to net inflows of U.S.$2,088 million in the year ended 31 December 2019. The outflow was driven primarily by significantly lower oil prices which, given the oil department's terms of trade, generated a greater reduction in accounts payable compared to accounts receivable in the period.

Net working capital cash inflows were U.S.$2,088 million in the year ended 31 December 2019, compared to net inflows of U.S.$1,325 million in the year ended 31 December 2018, reflecting decreases in accounts receivable and inventories and an increase in accounts payable.

*Net cash used by investing activities*

Net cash used by investing activities was an outflow of U.S.$2,711 million in the year ended 31 December 2020 compared to an outflow of U.S.$3,716 million in the year ended 31 December 2019, primarily reflecting expenditures at the Group's industrial assets.

Net cash used by investing activities was an outflow of U.S.$3,716 million in the year ended 31 December 2019 compared to an outflow of U.S.$7,293 million in the year ended 31 December 2018, primarily as a result of the inclusion of U.S.$3,966 million in non-recurring outflows for business acquisitions, mainly relating to Astron Energy, HVO and Hail Creek, in the year ended 31 December 2018.

*Net cash used by financing activities*

Net cash used by financing activities was U.S.$320 million in the year ended 31 December 2020, compared to U.S.$5,147 million in the year ended 31 December 2019. This primarily reflected the decision not to engage in any share buybacks and to suspend distributions to shareholders in 2020 due to the uncertainty resulting from the COVID-19 pandemic and to support the Group's overall financial position, in contrast to 2019.

Net cash used by financing activities was U.S.$5,147 million in the year ended 31 December 2019, an increase of 18.8 per cent. compared to U.S.$4,334 million in the year ended 31 December 2018. This primarily reflected share buybacks and the satisfaction of lease liabilities accounted under IFRS 16.

## Capital resources

For discussion of the historical capital resources and indebtedness and the Group's current capital resources and indebtedness position, please see "*Description of Indebtedness*".

## Balance sheet items

Total assets were U.S.$118,000 million as at 31 December 2020 compared to U.S.$124,076 million as at 31 December 2019. Current assets increased from U.S.$41,410 million as at 31 December 2019 to U.S.$43,212 million as at 31 December 2020, primarily due to the reclassification of Mopani's balance sheet to the "held for sale" categorisation, an increase in marketing inventories on account of higher metals commodity prices (copper, zinc and aluminium) and higher carried oil volumes at year-end relative to 2019. Non-current assets decreased from U.S.$82,666 million as at 31 December 2019 to U.S.$74,788 million as at 31 December 2020, primarily due to impairments to property, plant and equipment of U.S.$5,250 million, transfer of Mopani to "assets held for sale", lower capital expenditure over the period (below depreciation and amortisation expense) and mark-to-market adjustments with respect to the Group's investments carried at fair value through other comprehensive income.

Total assets were U.S.$124,076 million as at 31 December 2019 compared to U.S.$128,672 million as at 31 December 2018. Current assets decreased from U.S.$44,016 million as at 31 December 2018 to U.S.$41,410 million as at 31 December 2019, primarily due to a reduction in fair values of the Group's derivatives and hedging instruments as a result of movements in commodity prices and foreign exchange rates, as well as settlement of the Astron exchangeable loan. Non-current assets decreased from U.S.$84,656 million as at 31 December 2018 to U.S.$82,666 million as at 31 December 2019 primarily due to impairments to property, plant and equipment, partially offset by the addition of the Astron Energy assets, the capitalisation of lease assets as a result of the adoption of IFRS 16 and mark-to-market adjustments with respect to the Group's investments carried at fair value through other comprehensive income.

As at 31 December 2020, the Group had U.S.$19,584 million of readily marketable inventories, comprising U.S.$12,260 million of inventories carried at fair value less costs to sell and U.S.$7,324 million carried at the lower of cost or net realisable value. As at 31 December 2019, the Group had U.S.$16,810 million of readily marketable inventories, comprising U.S.$10,516 million of inventories carried at fair value less costs to sell and U.S.$6,294 million carried at the lower of cost or net realisable value. As at 31 December 2018, the Group had U.S.$17,428 million of readily marketable inventories, comprising U.S.$11,449 million of inventories carried at fair value less costs to sell and U.S.$5,979 million carried at the lower of cost or net realisable value. Total readily marketable inventories as at 31 December 2020 include U.S.$128 million related to certain associates and joint ventures accounted under the proportionate consolidation method, comprising inventories carried at lower of cost or net realisable value.

Given the highly liquid nature of these inventories, which represent a significant share of current assets, the Group believes it is appropriate to consider them together with cash equivalents in analysing Group net debt levels and computing certain debt coverage ratios and credit trends.

The Group has a number of dedicated facilities which finance a portion of its inventories. In each case, the inventory has been retained on the Group's balance sheet with the proceeds received recognised as either short-term debt, commodities sold with agreements to repurchase or trade advances from buyers, depending upon its funding nature.

In addition, accounts receivable form a significant portion of the Group's assets. The Group has entered into certain arrangements to finance a portion of its receivables. Where appropriate, the receivable has been retained on the Group's balance sheet with the proceeds received recognised as current borrowings.

Similarly, the Group's liabilities include accounts payable, of which trade payables form a significant portion. Trade payables are obligations to pay for goods and services. Trade payables typically have maturities up to 90 days depending on the type of material and the geographic area in which the purchase transaction occurs and the agreed terms. The carrying value of trade payables approximates fair value.

Transactions for the purchase of commodities may contain a financing element such as extended payment terms. Under such an arrangement, a financial institution may issue a letter of credit on behalf of the Group and act as the paying party upon delivery of product by the supplier and the Group will subsequently settle the liability directly with the financial institution, generally from 30 up to 120 days after physical supply.

As at 31 December 2020, the Group had U.S.$24,038 million of accounts payable, of which U.S.$19,285 million were trade payables, which in turn included U.S.$7,178 million of such liabilities arising from supplier financing arrangements. As at 31 December 2019, the Group had U.S.$26,193 million of accounts payable, of which U.S.$21,907 million were trade payables, which in turn included U.S.$5,687 million of such liabilities arising from supplier financing arrangements. As at 31 December 2018, the Group had U.S.$26,484 million of accounts payable, of which U.S.$22,642 million were trade payables, which in turn included U.S.$5,152 million of such liabilities arising from supplier financing arrangements.

## Capital expenditure and contractual obligations/contingencies

### *Capital expenditure*

Capital expenditure in the year ended 31 December 2020 was U.S.$4,144 million, compared to U.S.$5,368 million in the year ended 31 December 2019, reflecting a mix of targeted reductions/deferrals and "involuntary" reductions as planned work was delayed by the COVID-19 pandemic related restrictions.

Capital expenditure in the year ended 31 December 2019 was U.S.$5,368 million, compared to U.S.$4,777 million in the year ended 31 December 2018, reflecting the impact of the new leasing standard and the Group's ongoing capital expenditure programmes across its portfolio.

### *Future commitments*

As at 31 December 2020, U.S.$859 million (31 December 2019: U.S.$1,240 million, 31 December 2018: U.S.$1,321 million), of which 87 per cent. (31 December 2019: 89 per cent., 31 December 2018: 88 per cent.) related to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment. Certain of the Group's exploration tenements and licences require it to spend a minimum amount per year on development activities, a significant portion of which would have been incurred in the ordinary course of operations. As at 31 December 2020, U.S.$128 million (31 December 2019: U.S.$126 million, 31 December 2018: U.S.$86 million) for such development expenditures are to be incurred, of which 27 per cent. (31 December 2019: 37 per cent., 31 December 2018: 20 per cent.) are for commitments to be settled over the next year.

As part of the Group's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either (a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or (b) the guarantor by way of issuing a bank guarantee accepting responsibility for the Group's contractual obligations. In addition, the Group is required to post rehabilitation and pension guarantees in respect of some of these future obligations. As at 31 December 2020, U.S.$6,334 million (31 December 2019: U.S.$9,628 million, 31 December 2018: U.S.$10,842 million) of procurement and U.S.$4,138 million (31 December 2019: U.S.$3,953 million, 31 December 2018: U.S.$3,692 million) of rehabilitation and pension commitments have been issued on behalf of the Group, which will generally be settled simultaneously with the payment for such commodity and rehabilitation and pension obligations.

As at 31 December 2020, outstanding repurchase commitments related to the sale of goods associated with repurchase agreements at prevailing market prices, were approximately U.S.$0.3 billion (31 December 2019: U.S.$1.4 billion, 31 December 2018: U.S.$1.3 billion).

*Astron related commitments*

As part of the regulatory approval process pertaining to the acquisition of a majority shareholding in Astron Energy, the Group and Astron Energy entered into certain commitments (subject to variation for good cause) with the South Africa Competition Tribunal and the South African Economic Development Department. These commitments include investment expenditure of up to ZAR 6.5 billion (U.S.$446 million) over the period to 2024 to improve the performance of the Cape Town oil refinery, contribute to the rebranding of certain retail sites and establish a development fund to support small and black-owned businesses in Astron Energy's value chain. In addition, the Group has agreed to increase the level of BEE shareholding in Astron Energy from 25 per cent. to 35 per cent., in stages, by 2026 which will include a minimum additional 3 per cent. held by qualifying employee stock ownership plans in 2021.

*Acquisition of land by Katanga*

On 19 December 2019, KCC entered into an agreement with Gécamines, Katanga's 25 per cent. joint venture partner in KCC, to acquire from Gécamines a comprehensive land package covering areas adjacent to KCC's existing mining concessions for U.S.$250 million. The land includes multiple blocks for construction of a new long-term tailings facility and the possible exploitation of additional resources that will enhance KCC's ability to more efficiently operate its mines, facilities and other key infrastructure requirements. In August 2020, a prepayment of U.S.$150 million was made, with the balance to be paid as title transfer to the various parcels of land has occurred. If the closing conditions as prescribed in the agreement are not fulfilled, Glencore has the right to accrue interest on the prepaid amount, terminate the agreement and, if funds are not returned, offset against future amounts owing to Gécamines.

***Leases***

As of 1 January 2019, the Group adopted IFRS 16, which provides a comprehensive model for identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. For further detail, please see note 1 to the Financial Statements. Upon adoption of IFRS 16, right of use assets of U.S.$792 million (net of U.S.$9 million of previously recognised onerous lease provisions), lease receivables of U.S.$64 million and lease liabilities of U.S.$865 million were recognised as at 1 January 2019. The following table sets out a reconciliation between the operating lease commitments as at 31 December 2018 and the opening balance for the lease liabilities as at 1 January 2019:

| | **U.S.$ millions** |
|---|---|
| Operating lease commitments at 31 December 2018 | 1,052 |
| Vessels/chartering commitments at 31 December 2018 | 335 |
| Total lease commitments at 31 December 2018 | 1,387 |
| Leases not yet commenced | (72) |
| Leases of low-value assets | (31) |
| Short-term leases | (163) |
| Effect of discounting | (256) |
| Total additional lease liabilities recognised on adoption of IFRS 16 | 865 |

| | U.S.$ millions |
|---|---|
| Existing finance lease obligations at 31 December 2018 | 387 |
| Total lease liabilities at 1 January 2019 | 1,252 |
| *Of which:* | |
| Current lease liabilities | 149 |
| Non-current lease liabilities | 1,103 |

***Off-balance sheet arrangements***

The Group has no off-balance sheet entities or off-balance sheet arrangements.

***Contingent liabilities***

*Legal and regulatory proceedings*

Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when the Group has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources embodying economic benefits, that can be reliably estimated, will be required to settle the liability. A contingent liability is a possible obligation that arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. If it is not clear whether there is a present obligation, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the end of the reporting period. When a present obligation arises but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, a contingent liability is disclosed.

The Group is subject to various legal and regulatory proceedings as detailed below. The facts and circumstances of these proceedings are assessed on a regular basis to determine if the criteria for recognising a provision in accordance with IAS 37 are met. At 31 December 2020 and 31 December 2019, the Group had concluded that the recognition criteria have not been met, as such no liability has been recognised in relation to these matters in the consolidated statement of financial position at the end of the reporting periods. The nature of these contingent liabilities is disclosed below.

*Investigations by regulatory and enforcement authorities*

The Group is subject to a number of investigations by regulatory and enforcement authorities including:

- The United States Department of Justice is investigating the Group with respect to compliance with various criminal statutes including the U.S. Foreign Corrupt Practices Act of 1977, United States money laundering statutes and fraud statutes related to the Group's business in certain overseas jurisdictions.
- The United States Commodity Futures Trading Commission (the "CFTC") is investigating whether the Group may have violated certain provisions of the U.S. Commodity Exchange Act of 1936 and/or CFTC regulations including through corrupt practices in connection with commodities trading.
- The United Kingdom Serious Fraud Office is investigating the Group in respect of suspicions of bribery in the conduct of business of the Group.

- The Brazilian authorities are investigating the Group in relation to “Operation car wash”, which relates to bribery allegations concerning Petrobras.
- The Office of the Attorney General of Switzerland is investigating Glencore International AG for failure to have the organisational measures in place to prevent alleged corruption.

The Board has appointed the Investigations Committee to oversee the response to the investigations on behalf of the Board. The Investigations Committee has engaged external legal counsel and forensic experts to assist in responding to the various investigations and to perform additional investigations at the request of the Investigations Committee covering various aspects of the Group’s business.

The Group is continuing to cooperate fully with the various authorities, including through reporting to those authorities with facts relevant to their investigations. The investigations are complex and dynamic including in relation to scope. The timing and outcome of the various investigations remain uncertain.

At 31 December 2020, taking account of all available evidence, the Investigations Committee concluded that it is not probable that a present obligation existed at the end of the reporting period for the above regulatory and enforcement proceedings. Consequently, the timing and amount, if any, of financial effects (such as fines, penalties or damages, which could be material) or other consequences, including external costs, from any of the various investigations and any change in their scope are not possible to predict or estimate.

*Other legal proceedings*

The Group was named in a securities class action suit in the United States District Court of New Jersey in connection with various regulatory and enforcement authorities’ investigations. The District Court issued an order dismissing the suit on 31 July 2020.

Other claims and unresolved disputes are pending against the Group, however, based on the Group’s current assessment of these matters and any future individually material financial obligations are considered to be remote.

*Environmental contingencies*

The Group’s operations are subject to various environmental laws and regulation and is not aware of any material non-compliance with those laws and regulations. The Group accrues for environmental contingencies when such contingencies are probable and reasonably estimable. Such accruals are adjusted as new information develops or circumstances change. Recoveries of environmental remediation costs from insurance companies and other parties are recorded as assets when the recoveries are virtually certain. At this time, the Group is unaware of any material environmental incidents at its locations. Any potential liability arising from environmental incidents in the ordinary course of the Group’s business would not usually be expected to have a material adverse effect on its consolidated income, financial position or cash flows.

*Tax disputes*

The Group assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. For those matters where it is probable that an adjustment will be made, the Group records its best estimate of these tax liabilities, including related interest charges. Other than as set out below, the current open tax matters are spread across numerous jurisdictions and consist primarily of legacy transfer pricing matters that have been open for a number of years and may take several more years to resolve, none of which are individually material. During 2018, the DRC parliament adopted the 2018 Mining Code introducing wide ranging reforms including the introduction of higher royalties, a new Super Profits Tax regime and further regulatory controls. This triggered a reassessment of the Group’s tax positions in the DRC. Based on the potential challenges of historical tax positions and uncertainties of the 2018 Mining Code, specifically,

the application and interpretation of the Super Profits Tax, which cannot be offset by carry forward income tax losses, consideration was given to the range of possible outcomes to determine the expected value of the tax losses available for future offset, including to what extent previously incurred tax losses would be available to offset future taxable profits. Various tax authorities in the DRC have issued assessments denying financing related costs and other items, along with customs related claims for alleged non-compliance or incorrect coding on certain filings. The Group is currently engaged with these tax authorities working through a dispute resolution process. As the dispute resolution process is ongoing and its ultimate outcome remains uncertain, there remains a risk that the outcome could materially impact the recognised balances within the next financial year.

In December 2019, HMRC issued formal transfer pricing, unallowable purposes and diverted profits tax assessments for the 2008-2018 tax years, amounting to U.S.$774 million. The Group has appealed against and continues to vigorously contest these assessments, following, over the years, various legal opinions received and detailed analysis conducted, supporting its positions and policies applied. The matter is now proceeding through the Mutual Agreement Process pursuant to article 24 of the Switzerland-United Kingdom Income Tax Treaty 1977. Therefore, the Group has not fully provided for the amount assessed. The Group does not anticipate a significant risk of material changes in estimates in this matter in the next financial year.

## Financial risk management

### *Commodity price risk*

The Group is exposed to price movements for the inventory it holds and the products it produces which are not held to meet priced forward contract obligations and forward priced purchase or sale contracts. The Group manages a significant portion of this exposure through futures and options transactions on worldwide commodity exchanges or in over the counter markets, to the extent available. Commodity price risk management activities are considered an integral part of the Group's physical commodity marketing activities and the related assets and liabilities are included in other financial assets from and other financial liabilities to derivative counterparties, including clearing brokers and exchanges. Whilst it is the Group's policy to substantially hedge its commodity price risks, there remains the possibility that the hedging instruments chosen may not always provide effective mitigation of the underlying price risk. The hedging instruments available to the marketing businesses may differ in specific characteristics to the risk exposure to be hedged, resulting in an ongoing and unavoidable basis risk exposure. In addition, certain commodities do not have a liquid derivative market and thus price risk is not able to be fully hedged through derivative instruments. Residual basis risk exposures represent a key focus point for the Group's commodity department teams who actively engage in the management of such.

### *Value at Risk (VaR)*

One of the tools used by the Group to monitor and limit its primary market risk exposure, namely commodity price risk related to its physical marketing activities, is the use of a VaR computation. VaR is a risk measurement technique which estimates the potential loss that could occur on risk positions as a result of movements in risk factors over a specified time horizon, given a specific level of confidence. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities, as well as risk diversification by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be measured consistently across all markets and commodities and risk measures can be aggregated to derive a single risk value.

The Group uses a one-day VaR approach based on a Monte Carlo simulation with a weighted data history computed at a 95 per cent. confidence level. The Group has historically had a consolidated VaR limit (one-day 95 per cent.) of U.S.$100 million representing some 0.2 per cent. of total equity. Given the extreme implied

market volatility in the first half of 2020, together with statistically elevated commodity correlations and increased number of carry trades entered into during the period, the Board approved a temporary increase of the VaR limit to U.S.$120 million in May 2020. With markets having stabilised through June and July 2020, the original U.S.$100 million limit has now been restored. These were no limit breaches during the period.

Average market risk VaR (one day 95 per cent.) during the year ended 31 December 2020 was U.S.$39 million, representing less than 0.1 per cent. of equity (year ended 31 December 2019: U.S.$27 million, year ended 31 December 2018: U.S.$34 million).

Whilst it is the Group's policy to substantially hedge its commodity price risks, there remains the possibility that the hedging instruments chosen may not always provide effective mitigation of the underlying price risk. The hedging instruments available to the marketing businesses may differ in specific characteristics to the risk exposure to be hedged, resulting in an ongoing and unavoidable basis risk exposure. Residual basis risk exposures represent a key focus point for the Group's commodity division teams who actively engage in the management of such.

***Interest rate risk***

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its assets and liabilities and cash flows. Matching of assets and liabilities is utilised as the dominant method to hedge interest rate risks; other methods include the use of interest rate swaps and similar derivative instruments. Floating-rate debt which is predominantly used to fund fast turning working capital (interest is internally charged on the funding of this working capital) is primarily based on U.S. dollar LIBOR plus an appropriate premium. Accordingly, prevailing market interest rates are continuously factored into transactional pricing and terms.

Assuming the amount of floating rate liabilities at the reporting period end were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, the Group's income and equity for the year ended 31 December 2020 would decrease/increase by U.S.$112 million (2019: U.S.$126 million).

***Currency risk***

The U.S. dollar is the predominant functional currency of the Group. Currency risk is the risk of loss from movements in exchange rates related to transactions and balances in currencies other than the U.S. dollar. Such transactions include operating expenditure, capital expenditure and to a lesser extent purchases and sales in currencies other than the functional currency. Purchases or sales of commodities concluded in currencies other than the functional currency, apart from certain limited domestic sales at industrial operations which act as a hedge against local operating costs, are hedged through forward exchange contracts. Consequently, foreign exchange movements against the U.S. dollar on recognised transactions would have an immaterial financial impact. The Group enters into currency hedging transactions with leading financial institutions.

The Group's debt-related payments (both principal and interest) are denominated in or swapped using hedging instruments into U.S. dollars. The Group's operating expenses, being a small portion of its revenue base, are incurred in a mix of currencies of which the U.S. dollar, Swiss franc, pound sterling, Canadian dollar, Australian dollar, euro, Kazakhstani tenge, Colombian peso and South African rand are the predominant currencies.

***Credit risk***

Credit risk arises from the possibility that counterparties may not be able to settle obligations due to the Group within their agreed payment terms. Financial assets which potentially expose the Group to credit risk consist principally of cash and cash equivalents, receivables and advances, derivative instruments and non-current advances and loans. The Group's credit management process includes the assessment, monitoring and reporting of counterparty exposure on a regular basis. The Group's cash and cash equivalents are placed overnight with

a diverse group of highly credit rated financial institutions. Credit risk with respect to receivables and advances is mitigated by the large number of customers comprising the Group's customer base, their diversity across various industries and geographical areas, as well as the Group's policy to mitigate these risks through letters of credit, netting, collateral and insurance arrangements where appropriate. Additionally, it is the Group's policy that transactions and activities in trade-related financial instruments be concluded under master netting agreements or long form confirmations to enable offsetting of balances due to/from a common counterparty in the event of default by the counterparty. The Group actively and continuously monitors the credit quality of its counterparties through internal reviews and a credit scoring process, which includes, where available, public credit ratings. Balances with counterparties not having a public investment grade or equivalent internal rating are typically enhanced to investment grade through the extensive use of credit enhancement products, such as letters of credit or insurance products. The Group has a diverse customer base, with no customer representing more than 5.1 per cent. (2019: 4.7 per cent.) of its trade receivables (on a gross basis taking into account credit enhancements) or accounting for more than 3.1 per cent. of its revenues over the year ended 31 December 2020 (2019: 3.5 per cent.).

## Critical accounting policies

The preparation of the financial information contained in the Group's annual Financial Statements required estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities as at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Group has identified several areas as being critical to understanding the financial position, as they required its directors to make complex and/or subjective judgments and estimates about matters that are inherently uncertain. An explanation of significant accounting estimates and their principal accounting policies are disclosed in Note 1 to the 2020 Financial Statements incorporated by reference into this Offering Circular.

# DESCRIPTION OF INDEBTEDNESS

## Indebtedness and capital resources

The Group's business requires high levels of working capital funding and significant liquidity. The Group's funding requirements are generally correlated with movements in commodity prices and the extent of business opportunities. Increasing commodity prices primarily lead to increased funding requirements for the Group's marketing activities, but may also lead to increased funding associated with acquisitions and/or capital expenditures in the Group's industrial activities as it looks to increase production in a higher commodity price environment. In a falling commodity price environment, the Group will generally generate less cash flow from its industrial activities but will also require lower working capital funding in its marketing activities. In these circumstances, it may also choose to defer discretionary capital expenditure and shut or curtail production of certain assets. The Group's primary financial objective is to maintain a strong financial profile in line with an investment grade rating, including having access to sufficient amounts of liquidity to finance its operations and planned growth. In order to support the Group's overall financial position during 2020, and in light of the uncertainty resulting from the COVID-19 pandemic, the Board determined that no 2020 distribution to shareholders would be made. The Board has proposed a 2021 base distribution of U.S.$0.12 per share (U.S.$1.6 billion), payable in two equal instalments in 2021. The distribution is subject to shareholders' approval at the annual general meeting on 29 April 2021. At 31 December 2019, the Group's net funding was U.S.$34,366 million and net debt was U.S.$17,556 million. At 31 December 2020, the Group's net funding was U.S.$35,428 million and net debt was U.S.$15,844 million.

The Group uses short- and medium-term debt to finance its current assets, comprising inventories and trade receivables, which are either self-liquidating or otherwise subject to a high rate of turnover. The Group meets these financing requirements by maintaining appropriate levels of cash reserves and/or ensuring that it has sufficient headroom under its committed revolving credit facilities. Against a backdrop where near-term debt maturities and investment commitments are deemed "normal", it is the Group's policy to maintain a minimum level of committed liquidity headroom of U.S.$3 billion to meet all expected and unexpected cash requirements of its business. The liquidity headroom is provided in the form of cash, undrawn committed revolving credit facilities and marketable securities. As at 31 December 2020, the Group had available committed liquidity amounting to U.S.$10.3 billion. As at 31 December 2019, the Group had available committed undrawn credit facilities and cash amounting to U.S.$10.1 billion. The Group has alternative sources of headroom which are not included in these figures (e.g. liquidity can be raised quickly through undrawn uncommitted credit facilities which are not included in the reported headroom). During the years ended 31 December 2018, 2019 and 2020, the Group complied with the requirements of its borrowing arrangements. None of the Group's credit facilities or funding programmes include rating triggers which would accelerate repayment obligations in the event of a credit rating downgrade.

Following the acquisition of Xstrata, a cross-guarantee structure was implemented such that (i) existing rated external debt providers to the Group received a Glencore Schweiz guarantee, (ii) existing rated external debt providers to Xstrata received a guarantee from GIAG and the Company and (iii) future unsecured debt raised by the Group in public or international banking markets (including the Notes) is expected to benefit from a guarantor group comprising the Company, GIAG and Glencore Schweiz.

As at 31 December 2020, the Group had the following principal indebtedness outstanding:

| | Amount issued or outstanding as at 31 December 2020 |
|---|---|
| | *(U.S.$ million)* |
| **Non-current borrowings** | |
| Capital market notes | 22,353 |
| Committed syndicated revolving credit facilities | 4,766 |
| Lease liabilities | 1,008 |
| Other bank loans | 1,100 |
| **Total non-current borrowings** | 29,227 |
| **Current borrowings** | |
| Secured inventory/receivables/other facilities | 1,346 |
| U.S. commercial paper | 1,090 |
| Capital market notes | 2,018 |
| Lease liabilities | 513 |
| Other bank loans[(1)] | 3,285 |
| **Total current borrowings** | 8,252 |
| **Total borrowings** | 37,479 |
| Proportionate adjustment – net funding[(2)] | (553) |
| Less: cash and cash equivalents | (1,498) |
| **Net funding** | 35,428 |
| Less: readily marketable inventories | (19,584) |
| **Net debt** | (15,844) |

Notes:

(1) Comprises various uncommitted bilateral bank credit facilities and other financings.

(2) Comprises U.S.$807 million of Volcan net funding excluded from the Group's net funding definition, and U.S.$254 million of net funding at Collahuasi, Antamina and Cerrejón included.

### *Committed syndicated revolving credit facilities*

In March 2021, the Group extended its revolving credit facilities. In line with the Group's stated strategy of managing its net debt to the lower end of its U.S.$10 to 16 billion target range, and then sustainably maintaining this lower level, the aggregate facilities have been reduced to U.S.$12.7 billion through a voluntary cancellation. The extended facilities are for general corporate purposes and comprise (i) U.S.$8.07 billion 12-month revolving credit facilities with a 12-month term-out option at the borrower's discretion and (ii) U.S.$4.65 billion revolving credit facility with final maturity in May 2026. The margins on the facilities remain the same as in 2020.

In March 2020, the Group refinanced and extended its committed revolving credit facilities for up to U.S.$9,975 million on the same commercial terms as 2019. The facilities remain unsecured, containing a 12-month extension option and 12-month borrower's term-out option (to May 2022).

In May 2019, the Group voluntarily reduced the size of its existing medium-term revolving credit facility from U.S.$5,115 million to U.S.$4,650 million and extended its maturity to five-years to 2024, which was further extended to 2025 in May 2020, using an existing option to extend.

These committed unsecured facilities contain no financial covenants, no rating triggers, no material adverse change clauses and no external factor clauses.

### *U.S. commercial paper*

The Group has in place a standalone U.S. commercial paper programme, rated A2 and P2 by Standard & Poor's and Moody's, respectively. The notes issued under this U.S.$4 billion programme, carry interest at fixed market rates and generally mature not more than 100 days from the date of issue.

### *Capital markets notes*

As at 31 December 2020, the Group had the following capital markets notes outstanding:

| | Maturity | Amount outstanding as at 31 December 2020 |
|---|---|---|
| | | *(U.S.$ million)* |
| Euro 700 million 1.625% coupon bonds | Jan 2022 | 865 |
| Euro 1,000 million 1.875% coupon bonds | Sep 2023 | 1,219 |
| Euro 400 million 3.700% coupon bonds | Oct 2023 | 520 |
| Euro 600 million 0.6250% coupon bonds | Sep 2024 | 732 |
| Euro 750 million 1.750% coupon bonds | Mar 2025 | 951 |
| Euro 500 million 3.750% coupon bonds | Apr 2026 | 680 |
| Euro 500 million 1.50% coupon bonds | Oct 2026 | 632 |
| Euro 950 million 1.125% coupon bonds | Mar 2028 | 1,159 |
| **Eurobonds** | | 6,758 |
| JPY 10 billion 1.075% coupon bonds | May 2022 | 97 |
| GBP 500 million 6.000% coupon bonds | Apr 2022 | 685 |
| GBP 500 million 3.125% coupon bonds | Mar 2026 | 724 |
| **Sterling bonds** | | 1,409 |
| CHF 175 million 1.250% coupon bonds | Oct 2024 | 202 |
| CHF 250 million 0.350% coupon bonds | Sep 2025 | 283 |
| CHF 225 million 1.00% coupon bonds | Mar 2027 | 256 |
| **Swiss franc bonds** | | 741 |
| U.S.$600 million 5.375% coupon bonds[(1)] | Feb 2022 | 535 |

| | Maturity | Amount outstanding as at 31 December 2020 |
|---|---|---|
| | | *(U.S.$ million)* |
| U.S.$250 million LIBOR plus 1.650% coupon bonds | May 2022 | 250 |
| U.S.$1,000 million 4.250% coupon bonds | Oct 2022 | 1,002 |
| U.S.$500 million 3.00% coupon bonds | Oct 2022 | 461 |
| U.S.$1,500 million 4.125% coupon bonds | May 2023 | 1,580 |
| U.S.$1,000 million 4.125% coupon bonds | Mar 2024 | 969 |
| U.S.$1,000 million 4.625% coupon bonds | Apr 2024 | 1,069 |
| U.S.$625 million non-dilutive convertible bonds | Mar 2025 | 532 |
| U.S.$500 million 4.000% coupon bonds | Apr 2025 | 531 |
| U.S.$1,000 million 1.625% coupon bonds | Sep 2025 | 992 |
| U.S.$1,000 million 4.000% coupon bonds | Mar 2027 | 1,103 |
| U.S.$50 million 4.000% coupon bonds | Mar 2027 | 50 |
| U.S.$500 million 3.875% coupon bonds | Oct 2027 | 553 |
| U.S.$750 million 4.875% coupon bonds | Mar 2029 | 864 |
| U.S.$1,000 million 2.500% coupon bonds | Sep 2030 | 991 |
| U.S.$250 million 6.200% coupon bonds | Jun 2035 | 270 |
| U.S.$500 million 6.900% coupon bonds | Nov 2037 | 586 |
| U.S.$500 million 6.000% coupon bonds | Nov 2041 | 537 |
| U.S.$500 million 5.550% coupon bonds | Oct 2042 | 473 |
| **U.S.$ bonds** | | 13,348 |
| **Total non-current bonds** | | 22,353 |
| | | |
| Euro 600 million 2.750% coupon bonds | Apr 2021 | 724 |
| CHF 250 million 2.250% coupon bonds | May 2021 | 284 |
| U.S.$1,000 million 4.950% coupon bonds | Nov 2021 | 1,010 |
| **Total current bonds** | | 2,018 |

Notes:

(1) Assumed in the Volcan acquisition and excluded from the Group's definitions of net funding and net debt.

(2) On 1 March 2021, the Group issued EUR600 million 0.75 per cent. Notes due 2029 and EUR500 million 1.125 per cent. Notes due 2033, which are not reflected in the table above.

## DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The Directors of the Company are as follows and their profiles are set out below:

| Name | Age | Role |
|---|---|---|
| Anthony Hayward | 63 | Non-Executive Chairman |
| Ivan Glasenberg | 64 | CEO |
| Martin Gilbert | 65 | Senior Independent Director |
| Cynthia Carroll | 64 | Independent Non-Executive Director |
| John Mack | 76 | Independent Non-Executive Director |
| Gill Marcus | 71 | Independent Non-Executive Director |
| Patrice Merrin | 72 | Independent Non-Executive Director |
| Kalidas Madhavpeddi | 65 | Independent Non-Executive Director |
| Peter Coates AO | 75 | Non-Executive Director |

#### Anthony Hayward, age 63 (Non-Executive Chairman)

Anthony Hayward was appointed Non-Executive Chairman in May 2013. Prior to being appointed Chairman he was the Senior Independent Non-Executive Director of the Company. The Group announced in March 2021 that Dr Hayward will step down, at the latest, by the Company's 2022 annual general meeting. A search for his successor is underway.

Dr Hayward is managing partner of St. James's Asset Management, a partner and member of the European Advisory Board of AEA Capital and has other private equity interests.

He was CEO of BP plc from 2007-2010, having joined BP in 1982. He became group treasurer in 2000, chief executive for BP upstream activities and a member of the main board of BP in 2003. From 2011-2015 he was founder and CEO of Genel Energy plc and chairman from 2015-2017.

Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D. at Edinburgh University. He is a fellow of the Royal Society of Edinburgh.

#### Ivan Glasenberg, age 64 (CEO)

Ivan Glasenberg joined the Group in April 1984 and has been CEO since January 2002. The Group has announced that Mr Glasenberg will retire as CEO on 30 June 2021 and will be succeeded by Gary Nagle. Mr Glasenberg will seek re-election to the Board at the 2021 AGM for a term expiring on 30 June 2021.

Mr Glasenberg initially worked in Glencore's coal department in South Africa as a marketer. Following time in Australian and Asian offices, in 1990 he was made head of Glencore's coal marketing and industrial businesses, and remained in this role until he became the Group's CEO in January 2002.

Mr Glasenberg is a Chartered Accountant of South Africa, holds a Bachelor of Accountancy from the University of Witwatersrand and an MBA from the University of Southern California.

#### Martin Gilbert, age 65 (Senior Independent Director)

Martin Gilbert was appointed Independent Non-Executive Director in May 2017 and as Senior Independent Director in May 2018.

Mr Gilbert is chairman of Revolut Limited and deputy chairman of River and Mercantile Group PLC. Mr Gilbert co-founded Aberdeen Asset Management in 1983, leading the company for 34 years and overseeing its 2017 merger with Standard Life. He is also chair of Toscafund and a non-executive director of ASSETCO and Saranac Partners. He was deputy chair of the board of Sky PLC until 2018. He was formerly co-CEO of Standard Life Aberdeen and co-founder of Aberdeen Asset Management, which was established in 1983.

Mr Gilbert is a member of the international advisory board of British American Business.

Mr Gilbert was educated in Aberdeen. He holds an LLB, an M.A. in Accountancy and is a Chartered Accountant.

**Cynthia Carroll, age 64 (Independent Non-Executive Director)**

Cynthia Carroll was appointed Independent Non-Executive Director on 2 February 2021.

Ms Carroll has over 30 years of experience in the resources sector. She began her career as an exploration geologist at Amoco before joining Alcan. She held various executive roles there culminating in being CEO of the Primary Metal Group, Alcan’s core business. From 2007 to 2013 she served as CEO of Anglo American plc.

Ms Carroll is currently a non-executive director of Hitachi, Ltd, Baker Hughes Company and Pembina Pipeline Corporation. She is a fellow of the Royal Academy of Engineers and a Fellow of the Institute of Materials, Minerals and Mining.

Ms Carroll holds a Bachelor's degree in Geology from Skidmore College (NY), a Master's degree in Geology from the University of Kansas and a Master's in Business Administration from Harvard University.

**John Mack, age 76 (Independent Non-Executive Director)**

John Mack was appointed Independent Non-Executive Director in June 2013. Mr Mack will be retiring with effect from the 2021 AGM.

Mr Mack is a non-executive director of New Fortress Energy and also serves on the board of Tri Alpha. He also serves on the board of Trustees of New York-Presbyterian Hospital and the University Hospitals of both Columbia and Cornell.

Mr Mack previously served as CEO of Morgan Stanley from 2005-2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a board director in 1987 and president in 1993.

Before rejoining Morgan Stanley as chairman and CEO in 2005, Mr Mack served as co-CEO of Credit Suisse.

Mr Mack is a graduate of Duke University.

**Gill Marcus, age 71 (Independent Non-Executive Director)**

Gill Marcus was appointed Independent Non-Executive Director in January 2018.

Ms Marcus was Governor of the South African Reserve Bank from 2009-2014.

She worked in exile for the African National Congress from 1970 before returning to South Africa in 1990. In 1994 she was elected to the South African Parliament. In 1996 she was appointed as the Deputy Minister of Finance and from 1999-2004 was the Deputy Governor of the Reserve Bank. Ms Marcus was the non-executive chair of the Absa Group from 2007-2009 and has been a non-executive director of Gold Fields Ltd and Bidvest. She has acted as chair of a number of South African regulatory bodies. From 2018 to 2019, she was appointed to the Judicial Commission of Inquiry into allegations of impropriety at the Public Investment Corporation.

Ms Marcus is a graduate of the University of South Africa.

### Patrice Merrin, age 72 (Independent Non-Executive Director)

Patrice Merrin was appointed Independent Non-Executive Director in June 2014.

Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt for ten years until 2004, latterly as COO. She then became CEO of Luscar. She is currently a non-executive director of Samuel, Son & Co. Limited.

She has been a non-executive chair of Detour Gold Corporation from June 2019 to January 2020 and non-executive director of Stillwater Mining Company from 2013 to 2017. Ms Merrin chaired CML Healthcare and was also a director of Arconic Inc., NB Power, and the Alberta Climate Change and Emissions Management Corporation.

Ms Merrin is a graduate of Queen's University, Ontario and completed the Advanced Management Programme at INSEAD.

### Kalidas Madhavpeddi, age 65 (Independent Non-Executive Director)

Kalidas Madhavpeddi was appointed Non-Executive Director in February 2020.

Mr Madhavpeddi has over 40 years of experience in the international mining industry, including being CEO of China Molybdenum International (China Moly) from 2008-2018. He started his career at Phelps Dodge, where he worked from 1980 to 2006, ultimately becoming senior vice president and was responsible for the company's global business development, acquisitions and divestments, as well as its global exploration programs.

Mr Madhavpeddi is currently a director of Novagold Resources, Trilogy Metals and Dundee Precious Metals Inc. He was formerly director and chair of the governance committee of Capstone Mining.

He holds degrees from the Indian Institute of Technology, Madras, India and the University of Iowa and has completed the Advanced Management Program at Harvard Business School.

### Peter Coates AO, age 75 (Non-Executive Director)

Peter Coates was appointed Non-Executive Director in January 2014. Prior to this he served as an Executive Director from June to December 2013 and a Non-Executive Director from April 2011 to May 2013.

Mr Coates worked in senior positions in a range of resource companies before joining Glencore's coal unit as a senior executive in 1994. When Glencore sold its Australian and South African coal assets to Xstrata in 2002, he became CEO of Xstrata's coal business, stepping down in December 2007.

He was non-executive chairman of Xstrata Australia from 2008-2009, Minara Resources Ltd from 2008-2011 and Santos Ltd from 2009-2013 and 2015-2018. He is currently a non-executive director of Event Hospitality and Entertainment Ltd.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed as an Officer of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.

## Senior Manager

### Steven Kalmin, age 50 (CFO)

Steven Kalmin has been CFO since June 2005.

Mr Kalmin joined the Group in September 1999 as general manager of finance and treasury functions at the Group's coal industrial unit in Sydney. He moved to the Group's head office in 2003 to oversee the Group's

accounting functions, becoming CFO in June 2005. From November 2017 to June 2020 he was a director of Katanga Mining Limited.

Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of the Chartered Accountants Australia and New Zealand and the Financial Services Institute of Australasia. Before joining the Group, Mr Kalmin worked for nine years at Horwath Chartered Accountants.

## Corporate governance

### The Board structure

As at the date of this Offering Circular, the Board consists of one Executive Director and eight Non-Executive Directors, of whom six are independent. The Chairman and Mr Peter Coates are not considered as independent, the latter due to his employment by the Group in 2013.

The Company is committed to high standards of corporate governance. In accordance with the UK Listing Rules, the Company states every year in its annual report whether it has complied in full with the UK Corporate Governance Code. The statement sets out the reason for any non-compliance under the 'Comply or Explain' principles. As at the date of this Offering Circular, the Company believes that it complies with all provisions of the UK Corporate Governance Code.

One of the Board's central objectives has been to oversee an orderly management succession. Over the past two years, the Group has seen the retirement of the senior business leaders of a number of commodity departments. The Group announced in December 2020 that that Mr Glasenberg will retire as CEO and as a member of the Board during the first half of 2021 and will be succeeded by Gary Nagle.

### Board committees

The Board has established the following permanent committees:

#### *Audit committee*

The audit committee meets not less than three times a year and has responsibility for, among other things, monitoring the integrity of the Group's financial statements. It oversees the Group's relationship with its external auditors and reviews the effectiveness of the external audit process. The committee also has responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management framework. The ultimate responsibility for reviewing and approving the interim and annual financial statements remains with the Board. The current members of the audit committee are Kalidas Madhavpeddi (Chair), Martin Gilbert, and Gill Marcus.

#### *Ethics, compliance and culture committee*

The ethics, compliance and culture committee meets not less than twice a year and is responsible for overseeing key ethics and compliance matters and the Group's culture. The committee oversees the implementation of the Group Ethics and Compliance Programme including Group policies, procedures, systems and controls for the prevention of unethical business practices and misconduct. It also reviews and reports to the Board on the Group's 'Raising Concerns' programme available for employees to raise, in confidence, any possible wrongdoing in matters within the committee's remit. This committee currently comprises Anthony Hayward (Chair), Gill Marcus, Peter Coates and Patrice Merrin.

#### *Health, safety, environment and communities committee*

The health and safety, environment and communities committee meets not less than once a year and is responsible for monitoring the Group's policies on health and safety, environmental and local community issues as they affect the Group's operations. The current members of the health and safety, environment and

communities committee are Peter Coates (Chair), Ivan Glasenberg, Anthony Hayward, Patrice Merrin and Cynthia Carroll.

***Nomination committee***

The nomination committee meets not less than once a year and has responsibility for making recommendations to the Board on the composition of the Board and its committees and on retirements and appointments of additional and replacement Directors and ensuring compliance with the UK Corporate Governance Code in these matters. The current members of the nominations committee are Patrice Merrin (Chair), John Mack and Kalidas Madhavpeddi.

***Remuneration committee***

The remuneration committee meets not less than once a year and has responsibility for making recommendations to the Board (i) on the Group's policy on the remuneration of senior management and (ii) for the determination, within agreed terms of reference, of the remuneration of the Chairman and of specific remuneration packages for each of the executive Directors and the members of management, including pension rights and any compensation payments. The remuneration committee also ensures compliance with the UK Corporate Governance Code in this respect. The current members of the remuneration committee are John Mack (Chair), Martin Gilbert and Kalidas Madhavpeddi.

The board has established the following ad-hoc committee:

***Investigations committee***

A Board committee was established in July 2018 for the purpose of overseeing the Group's response to a United States Department of Justice investigation. This committee also took over the responsibilities of the committee established in 2017 to monitor the Ontario Securities Commission Investigation, and has subsequently assumed oversight over the various government investigations that are set out in "*Business—Legal and Regulatory*". This committee currently comprises Anthony Hayward (Chair), Martin Gilbert and Patrice Merrin.

**Board compensation**

For the year ended 31 December 2020, the total emoluments for the Directors of the Company serving during 2020 (being Anthony Hayward, Ivan Glasenberg, Peter Coates, Leonhard Fischer, John Mack, Martin Gilbert, Kalidas Madhavpeddi, Gill Marcus and Patrice Merrin) were U.S.$4.4 million. These include contributions made in respect of a pension plan for the Executive Director.

## SIGNIFICANT SHAREHOLDERS

### Interests of significant shareholders

Taking into account the information available to the Company as at 26 February 2021, the table below shows the Company's understanding of the interests in 3 per cent. or more of the total voting rights attaching to its issued ordinary share capital:

| Shareholder | Number of Shares | Percentage of Total Voting Rights |
|---|---|---|
| Qatar Holding LLC | 1,221,497,099 | 9.17 |
| Ivan Glasenberg | 1,211,957,850 | 9.10 |
| BlackRock Inc | 886,856,436 | 6.66 |
| Harris Associates | 516,588,214 | 3.88 |
| Aristotelis Mistakidis | 463,675,134 | 3.48 |
| Daniel Maté | 454,136,143 | 3.41 |

At 26 February 2021, the Company's issued ordinary share capital was 14,586,200,066, comprising 13,324,312,541 shares with voting rights and 1,261,887,525 shares held in treasury.

Save as disclosed above, the Company was not aware of any person who, as at 26 February 2021, directly or indirectly, has a holding which exceeds the threshold of 3 per cent. of the total voting rights attaching to the issued ordinary share capital of the Company.

Save as disclosed above, as at 26 February 2021, the Company was not aware of any person or persons who directly, indirectly, jointly or severally exercise or could exercise control over the Company, nor is it aware of any arrangements the operation of which may, at a subsequent date, result in a change in control of the Group.

None of the Company's major shareholders have, nor is this any proposal for them to have, different voting rights attached to the ordinary shares they hold.

## DESCRIPTION OF THE NOTES AND GUARANTEES

*The following is a summary of the material provisions of the Notes, the Guarantees and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Notes, the Guarantees and the Indenture. Copies of the Indenture will be available for inspection during normal business hours at any time after 27 April 2021 (the "Closing Date") at the offices of the Trustee currently located at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Any capitalized term used herein but not defined shall have the meaning assigned to such term in the Notes, the Guarantees or the Indenture.*

### General

The Notes and the Guarantees will be issued pursuant to the Indenture to be dated as of the Closing Date, among the Issuer, the Company, GIAG and Glencore Schweiz, as Guarantors, Deutsche Trustee Company Limited, as Trustee, and Deutsche Bank Trust Company Americas, as Registrar, Paying Agent and Transfer Agent.

The Notes will not be registered under the Securities Act and may not be sold or otherwise transferred except pursuant to registration under the Securities Act or in accordance with Rule 144A or Rule 904 of Regulation S thereunder or in a resale transaction that is otherwise exempt from such registration requirements, and will bear a legend to this effect.

The Indenture is not required to be nor will it be qualified under the United States Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and will not incorporate by reference all of the provisions of the Trust Indenture Act.

References to the "Notes" include the Guarantees. References to the "Noteholders" are to the registered holders of the Notes. The Notes are not listed.

The Notes will be in registered form in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be issued in the form of Global Notes in registered form and may be exchanged into Definitive Notes only in the circumstances described in the Indenture and Global Notes.

#### Principal, maturity and interest

***Principal and maturity on the Notes***

The Notes will be unsecured and unsubordinated obligations of the Issuer and will be unconditionally guaranteed on a senior, unsecured and joint and several basis by the Guarantors. The 2026 Notes are initially issuable in an aggregate principal amount not to exceed U.S.$600,000,000 and will mature on 27 April 2026. The 2031 Notes are initially issuable in an aggregate principal amount not to exceed U.S.$600,000,000 and will mature on 27 April 2031. The 2051 Notes are initially issuable in an aggregate principal amount not to exceed U.S.$500,000,000 and will mature on 27 April 2051.

***Interest on the Notes***

The 2026 Notes will bear interest at 1.625 per cent. per annum, the 2031 Notes will bear interest at 2.850 per cent. per annum and the 2051 Notes will bear interest at 3.875 per cent. per annum, all from the date of the initial issue of the Notes or from the most recent interest payment date to which interest has been paid or provided for, payable semi-annually in arrear on 27 April and 27 October of each year commencing on 27 October 2021 for the 2026 Notes, 27 April and 27 October of each year commencing on 27 October 2021 for the 2031 Notes and 27 April and 27 October of each year commencing on 27 October 2021 for the 2051 Notes, to the Person in whose name the relevant Note is registered at the close of business on the day one

Business Day prior to each respective interest payment date, notwithstanding any transfer or exchange of such Notes subsequent to the record date and prior to such interest payment date. Interest will be computed on the basis of a 360-day year consisting of 12 30-day months. If the date on which any interest payment or principal payment is to be made is not a Business Day, such payment will be made on the next day which is a Business Day in New York City and the place of payment of such interest or principal without any further interest or other amounts being paid or payable in connection therewith.

**Payment of default interest**

Notwithstanding the foregoing, if and to the extent the Issuer shall default in the payment of the interest due on an interest payment date and the applicable grace period shall have expired, such defaulted interest may at the option of the Issuer be paid to the Persons in whose names the Notes are registered at the close of business on a subsequent record date (which shall not be less than five days which are Business Days in New York City prior to the date of payment of such defaulted interest) established by notice given as provided in the Notes by or on behalf of the Issuer to the Noteholders not less than 15 days preceding such subsequent record date.

**Further issuances**

The Issuer may from time to time without the consent of the Noteholders issue further securities having identical terms and conditions as any of the series of Notes described herein, in all respects except for the first payment of interest on such further securities so that any further issue is consolidated and forms a single series of securities with such Notes. Notwithstanding the foregoing, the Issuer shall not issue any further securities intended to be consolidated and form a single series of securities with the Notes unless such issuance would constitute a "qualified reopening" as defined for U.S. federal income tax purposes or otherwise forms part of a single issue with the Notes for U.S. federal income tax purposes.

**Status of the Notes and the Guarantees**

The Notes will be unsecured and unsubordinated obligations of the Issuer. Upon issue, the Guarantors will unconditionally guarantee, on a senior, unsecured and joint and several basis, the due and punctual payment (and not collectability) of the principal of and interest on the Notes (and the payment of additional amounts described below in "*—Payment of Additional Amounts*") when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise. The obligations of a Guarantor are limited to the maximum amount that will result in its obligations under the relevant Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law. Each Guarantee will be an unsecured and unsubordinated obligation of the relevant Guarantor and will rank *pari passu* in right of payment with other unsecured and unsubordinated indebtedness of such Guarantor except that any liability of GIAG and Glencore Schweiz with respect to any obligations of the Company under any Guarantee is limited as described below.

**Ranking and other indebtedness**

As at 31 December 2020, the total borrowings of the Group were U.S.$37,479 million.

As at 31 December 2020, the Group had U.S.$1,521 million lease liabilities effectively secured on the related lease assets and U.S.$1,346 million of secured financial indebtedness which effectively ranks senior to the Notes and the Guarantees. Substantially all remaining financial indebtedness of the Group has either been issued or guaranteed by the Issuer and the Guarantors on a senior basis and therefore ranks *pari passu* with the Notes and the Guarantees except that any liability of GIAG and Glencore Schweiz with respect to any guarantee, indemnity or other benefit, as well as any other undertaking having the same or a similar effect, such as, but not limited to, the waiver of set-off or subrogation rights or the subordination of intra-group claims, granted by Glencore Schweiz and/or GIAG for their Up-stream/Cross-stream Obligations are

subject to certain restrictions as described under "*Risk Factors—There are limitations in respect of Glencore Schweiz's and/or GIAG's liability with respect to its obligations under the Guarantee, the Indenture or otherwise in connection with the Notes*".

For further information in relation to the Group's outstanding indebtedness, see "*Description of Indebtedness*".

**Payment of Additional Amounts**

All payments by the Issuer in respect of the Notes and by the Guarantors under the Guarantees will be made without withholding or deduction for or on account of any and all present or future tax, levy, impost or other governmental charge whatsoever ("Taxes") imposed, assessed, levied or collected by or for the account of the Relevant Jurisdiction (as defined below) unless such withholding or deduction is required by law. See "*Taxation*".

If such a withholding or deduction is required by the law of a Relevant Jurisdiction, the Issuer and the Guarantors (pursuant to the terms of the applicable Guarantee) will pay, in respect of any payment on the Notes or any payment pursuant to the applicable Guarantee, to a Noteholder or beneficial owner of a Note such additional amounts ("Additional Amounts") as may be necessary so that the net amount received by such Noteholder or beneficial owner, after deduction or withholding for any Taxes whatsoever imposed, assessed, levied or collected by or for the account of or as a result of such payment by the Relevant Jurisdiction, will not be less than the amount such Noteholder would have received if such Taxes had not been withheld or deducted; provided, however, that none of the Issuer or the Guarantors shall be required to pay any Additional Amounts for or on account of:

(i) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that the registered holder of the Note or Guarantee (or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, if such Noteholder is an estate, trust, partnership or corporation) is or has been a domiciliary, national or resident of, or engaging or having been engaged in a trade or business or maintaining or having maintained a permanent establishment or being or having been physically present in the jurisdiction by which such Taxes have been imposed, assessed, levied or collected, or otherwise having or having had some connection with such jurisdiction, other than the mere holding or ownership of, or the collection of principal of, and interest on, an applicable Note or the enforcement of the applicable Guarantee, as the case may be;

(ii) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that the registered holder of the applicable Note or Guarantee at any time did not deal at arm's length with the Issuer or such Guarantor;

(iii) any Taxes, to the extent it would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required in order to receive payment, the applicable Note or Guarantee was presented more than 30 days after the date on which such payment became due and payable or was provided for, whichever is later;

(iv) any estate, inheritance, gift, transfer, personal property or similar Tax;

(v) any Taxes that are payable otherwise than by deduction or withholding from payments on or in respect of the applicable Note or Guarantee;

(vi) any Taxes that would not have been so imposed, assessed, levied or collected but for the failure by the Noteholder or the beneficial owner of the applicable Note or Guarantee to comply (following a written request addressed to the Noteholders or beneficial owner, as applicable) with any certification, identification or other reporting requirements concerning the nationality, residence or identity of such

Noteholder or beneficial owner or its connection with the Relevant Jurisdiction if compliance is required by statute, regulation or administrative practice of the Relevant Jurisdiction, as a condition to relief or exemption from such Tax;

(vii) any withholding or deduction imposed on a payment to a Noteholder that is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 17 December 2014 or otherwise changing the Swiss Federal Withholding Tax (*Verrechnungssteuer*) system from an issuer-based system to a paying agent-based system pursuant to which a person in Switzerland other than the Issuer is required to withhold tax on any interest;

(viii) any withholding or deduction that is imposed on the applicable Note or Guarantee that is presented for payment, where presentation is required, by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the applicable Note or Guarantee to another paying agent;

(ix) of any payment under a Guarantee by a Guarantor, if such payment would become subject to Swiss Federal Withholding Tax (*Verrechnungssteuer*) (the present rate of which is 35 per cent.) because such payment by a Guarantor has to be regarded as deemed dividend distribution; or

(x) any combination of the Taxes or circumstances described in paragraphs (i) through (ix) above,

nor will Additional Amounts be paid in respect of any payment to any Noteholder or beneficial owner of the applicable Notes or Guarantees that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such Noteholder or a beneficial owner and such beneficiary or settlor would not have been entitled to such amounts had such beneficiary or settlor been the holder of such Notes or Guarantees.

Notwithstanding any other provision contained herein, any amounts to be paid by the Issuer or any Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the "Code"), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "FATCA Withholding Tax"), and neither the Issuer nor any Guarantor will be required to pay additional amounts on account of any FATCA Withholding Tax.

"Issuer Jurisdiction" means any of the jurisdictions of incorporation or residence for tax purposes of the Issuer or any successor entity, or any political subdivision or taxing authority thereof or therein.

"Guarantor Jurisdiction" means any of the jurisdictions of incorporation or residence for tax purposes of a Guarantor or any successor entity, or any political subdivision or taxing authority thereof or therein.

"Relevant Jurisdiction" means an Issuer Jurisdiction and/or a Guarantor Jurisdiction.

If the Issuer or a Guarantor becomes subject at any time to any taxing jurisdiction other than an Issuer Jurisdiction or a Guarantor Jurisdiction, as the case may be, references to "Issuer Jurisdiction" or "Guarantor Jurisdiction", as the case may be, shall for these purposes be construed as references to the Issuer Jurisdiction or Guarantor Jurisdiction, as the case may be, and such other jurisdiction.

**Optional redemption**

The Notes may be redeemed, in whole or in part, at the Issuer's option, at any time prior to the applicable Par Call Date at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) as determined by the Independent Investment Banker, the sum of the present values of the Remaining Scheduled Payments from the date of redemption ("Redemption Date") to the applicable Par Call Date, in each case discounted to the Redemption Date, on a semi-annual basis (assuming a 360-day year consisting of 12 30-day months or in the case of an incomplete month, the number of days elapsed) at the Treasury Rate plus 15 basis points in the case of the 2026 Notes, plus 20 basis points in the case of the 2031 Notes and plus 25 basis points in the case of the 2051 Notes, together with accrued and unpaid interest, if any, on the principal amount of the relevant Notes to be redeemed to, but excluding, the Redemption Date. The Notes may also be redeemed at any time on or after the applicable Par Call Date, in whole or in part, in each case at the option of the Issuer, on at least 10 days', but not more than 60 days', prior notice at a redemption price equal to 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, on the principal amount of the Notes to be redeemed to, but excluding, the Redemption Date. In connection with such optional redemption of the Notes, the following defined terms apply:

- "Par Call Date" means 27 March 2026 (one month prior to maturity) for the 2026 Notes, 27 January 2031 (three months prior to maturity) for the 2031 Notes and 27 October 2050 (six months prior to maturity) for the 2051 Notes;
- "Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as at the third Business Day immediately preceding that Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date;
- "Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term (as measured from the Redemption Date) of the Notes to be redeemed calculated as though the maturity date of the relevant Notes was the applicable Par Call Date;
- "Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding the Redemption Date, as set forth in the daily statistical release designated H.15 (or any successor release) published by the Federal Reserve Bank of New York and designated "Selected Interest Rates (Daily)", or (ii) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (B) if the Independent Investment Banker for the Notes obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations;
- "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer to act as the "Independent Investment Banker";
- "Reference Treasury Dealer" means each of (1) J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co LLC and an affiliate of Scotia Capital (USA) Inc.; (2) a Primary Treasury Dealer (as defined below) selected by SMBC Nikko Securities America, Inc., and their respective successors and other nationally recognised investment banking firms that are Primary Treasury Dealers

specified from time to time by the Issuer; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another nationally recognised investment banking firm that is a Primary Treasury Dealer;

- "Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that Redemption Date; and

- "Remaining Scheduled Payments" means, with respect to the Notes to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due from the related Redemption Date to the applicable Par Call Date but for such redemption, provided that if that Redemption Date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to that Redemption Date.

The redemption price of the Notes shall be calculated by the Independent Investment Banker and the Issuer, and the Trustee shall be entitled to rely on such calculation.

Notice of any redemption will be given at least 10 days but not more than 60 days before the Redemption Date to each registered holder of any Notes to be redeemed. On and after any Redemption Date, interest will cease to accrue on the Notes or any portion thereof called for redemption.

Any redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions, which shall be set out in the notice of redemption.

Upon presentation of any Note redeemed in part only, the Issuer will execute and the Trustee, an authentication agent on its behalf or the Registrar will authenticate and deliver to or on the order of the Noteholder thereof, at the expense of the Issuer, a new Note or Notes, of authorised denominations, in principal amount equal to the unredeemed portion of the Note so presented.

On or before any Redemption Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the redemption price of and accrued interest and Additional Amounts, if any, on the Notes to be redeemed on such date. If less than all of a series of Notes are to be redeemed at any time, subject to the requirements of DTC, the Paying Agent or the Registrar will select Notes for redemption as follows:

(1) if such series of Notes are listed on any securities exchange, in compliance with the requirements, if any, of the securities exchange on which such series of Notes are listed as certified to the Trustee by the Issuer; or

(2) if the exchange on which such series of the Notes are listed prescribes no method of selection (or if such series of Notes are not listed on any securities exchange and the Notes are not held through DTC or DTC prescribes no method of selection), on a pro rata basis by use of pool factor.

Neither the Paying Agent nor the Registrar shall be liable for selections made by it in accordance with this paragraph.

**Maturity Dates**

Unless previously purchased or redeemed by the Issuer or the Guarantors or any of their Subsidiaries, (i) the principal amount of the 2026 Notes will mature and become due and payable on 27 April 2026 with accrued and unpaid interest to such date; (ii) the principal amount of the 2031 Notes will mature and

become due and payable on 27 April 2031 with accrued and unpaid interest to such date; and (iii) the principal amount of the 2051 Notes will mature and become due and payable on 27 April 2051 with accrued and unpaid interest to such date.

**Reacquisition**

There is no restriction on the ability of the Issuer or the Guarantors or any of their Subsidiaries to purchase or repurchase Notes.

**Redemption for tax reasons**

The Notes are also redeemable by the Issuer, in whole but not in part, in an amount equal to their respective principal amounts with accrued and unpaid interest to the applicable Redemption Date without reduction for any applicable withholding taxes imposed by the Relevant Jurisdiction, at the Issuer's option at any time prior to their maturity if, due to a Change in Tax Law (as defined below): (i) the Issuer or a Guarantor, in accordance with the terms of the Notes or the Guarantees, respectively, has, or would, become obligated to pay to the Noteholder or beneficial owner of any Note any Additional Amounts; (ii) in the case of a Guarantor, (A) such Guarantor would be unable, for reasons outside its control, to procure payment by the Issuer or (B) the procuring of such payment by the Issuer would be subject to withholding taxes imposed by the Relevant Jurisdiction; and (iii) such obligation otherwise cannot be avoided by the Issuer or such Guarantor taking reasonable measures available to it. In such case, the Issuer may redeem the Notes as a whole but not in part, upon not less than 10 nor more than 60 days' notice in accordance with the requirements for notice as set forth in the Indenture, in an amount equal to their respective principal amounts with accrued and unpaid interest to the Redemption Date without reduction for any applicable withholding taxes imposed by the Relevant Jurisdiction; provided that, (1) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or such Guarantor would be obligated to pay any such Additional Amounts were a payment in respect of the Notes or the Guarantees, as applicable, then due and (2) at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. The Issuer's right to redeem the Notes shall continue as long as the Issuer or a Guarantor, as the case may be, is obligated to pay such Additional Amounts, notwithstanding that the Issuer or such Guarantor shall have made payments of Additional Amounts. Prior to the giving of any such notice of redemption, the Issuer must deliver to the Trustee (a) a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent counsel of recognised standing selected by the Issuer or the Guarantors, as applicable, to the effect that the Issuer or the Guarantors have, or would, become obligated to pay such Additional Amounts as a result of such Change in Tax Law.

For purposes hereof, "Change in Tax Law" shall mean (i) any change in, or amendment to, any law of an Issuer Jurisdiction or a Guarantor Jurisdiction (including any regulations or rulings promulgated thereunder) or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which change or amendment is announced, if applicable, and becomes effective on or after the Closing Date or (ii) if the Issuer or a Guarantor consolidates or merges with, or transfers or leases its assets substantially as an entirety to, any Person that is incorporated or tax resident under the laws of any jurisdiction other than an Issuer Jurisdiction or a Guarantor Jurisdiction, respectively, and as a consequence thereof such Person becomes the successor obligor to the Issuer or such Guarantor in respect of Additional Amounts that may become payable (in which case, for purposes of this redemption provision, all references to the Issuer or such Guarantor hereunder, as applicable, shall be deemed to be and include references to such Person), any change in, or amendment to, any law of the jurisdiction of incorporation of such Person or any successor entity or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which

change or amendment becomes effective on or after the date of such consolidation, merger or other transaction.

**Certain definitions**

Set forth below is a summary of certain of the defined terms used in the Notes and the Indenture. You should refer to the Notes and the Indenture for the full definition of all defined terms.

"Business Day" means any day which is not, in London, England, New York City, or the place or payment of such interest or principal, a Saturday, Sunday, a legal holiday or a day on which banking institutions are authorised or obligated by law, regulation or executive order to close.

"Consolidated Assets" means all of the assets of the Group as reported in the latest audited consolidated financial statements of the Group.

"Consolidated Borrowing Costs" of the Group means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalised or not and the interest element of Finance Leases) incurred by the Group in effecting, servicing or maintaining Financial Indebtedness, plus rent payments under operating leases, less interest received by the Group, all as reported in the latest audited consolidated financial statements of the Group.

"Consolidated Income/(Loss)" means income for the year less attribution to minorities, each as reported (or as comprised by those items having a substantially similar description) in the latest audited annual consolidated financial statements of the Group or any Subsidiary, as the case may be.

"Consolidated Income (or Loss) before Borrowing Costs and Tax" means Consolidated Income/(Loss) adjusted by adding back minority interests, taxes, extraordinary items and Consolidated Borrowing Costs for the period, all by reference to the latest audited annual consolidated financial statements of the Group.

"Financial Indebtedness" of any Person, means (without duplication and excluding trade credit in the ordinary course of the Group's business on the Group's normal commercial terms):

(i) all obligations of such Person for monies borrowed and its redemption obligations in respect of mandatorily redeemable preferred stock (being any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment for any amounts upon liquidation or dissolution of such corporation);

(ii) all obligations of such Person evidenced by any debenture, bond, note, loan, stock, commercial paper or other similar security;

(iii) all actual (as opposed to contingent) reimbursement and other payment obligations of such Person (other than accounts payable) in respect of any acceptance of financial letters of credit or instruments serving similar functions;

(iv) all obligations of such Person in respect of capitalised rentals or Finance Leases;

(v) all guarantees by such Person of Financial Indebtedness of third parties; and

(vi) the remaining recourse element of receivables sold by such Person or any of its Subsidiaries in a jurisdiction where such receivables financing is not a usual and customary financing transaction,

but with respect to the Group shall exclude monies borrowed or raised by any entity within the Group from any other entity within the Group.

"Finance Lease" as applied to any Person means any lease of any property (whether real, personal or mixed) by such Person as lessee which would, in accordance with IFRS, be required to be classified and accounted for as a finance lease in the financial accounts or statements of such Person.

"Government Obligations" means money or obligations issued by the United States government.

"Group" means, at any time, the Company and its Subsidiaries (including the Issuer), through which the Company may own its assets and conduct operations indirectly.

"IFRS" means International Financial Reporting Standards as adopted by the European Union.

"Material Subsidiary" means:

(i) any Subsidiary of the Company where (A) the Subsidiary Income (or Loss) before Borrowing Costs and Tax in respect of such a Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Income (or Loss) before Borrowing Costs and Tax of the Group during the immediate preceding complete financial year of the Company or (B) the Subsidiary Assets in respect of such Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Assets of the Group as at the end of the immediately preceding complete financial year of the Company; or

(ii) any other Subsidiary of the Company which has been designated by the Company to the Trustee in writing to constitute a "Material Subsidiary", provided that, subject to paragraph (i) above, the Company may, by notice in writing to the Trustee, specify that a Subsidiary previously designated to be a "Material Subsidiary" pursuant to this provision shall no longer be treated as a "Material Subsidiary"; or

(iii) any other Subsidiary of the Company held directly or indirectly which owns, directly or indirectly, a Subsidiary which is a Material Subsidiary in accordance with paragraph (i) or (ii) above,

provided that no Subsidiary of the Group that has common stock listed on a public securities exchange, nor any of their respective direct or indirect Subsidiaries, shall be deemed to be a Material Subsidiary. In addition, Viterra Ltd. shall not be deemed to be a Material Subsidiary.

"Mortgage" means any mortgage, deed of trust, pledge, hypothecation, lien, encumbrance, charge or security interest of any kind.

"Non-recourse Indebtedness" means Financial Indebtedness of a Project Company, none of which retains the benefit of any guarantee, bond, security (other than third party security over shares in or debts or other obligations of a Project Company solely to secure that Financial Indebtedness), indemnity or other commitment from another member of the Group to assure the repayment of, or indemnify against loss in respect of non-payment of, that Financial Indebtedness.

"Permitted Securitisation Transaction" means a sale of receivables, inventories or other assets by a member of the Group to a special purpose entity, whereby either (i) the sale does not meet the derecognition requirements of, or (ii) the special purpose entity is required to be consolidated under, IFRS such that the assets and related liabilities appear on the Company's consolidated financial statements.

"Permitted Security Interest" means:

(i) any Security Interest over property or assets of a Person which becomes a Subsidiary after the Issue Date (and at the same time or subsequently becomes a Material Subsidiary), but only if:

(A) the Security Interest (1) was in existence prior to the date of the Person concerned becoming a Subsidiary and (2) was not created in contemplation of such Person becoming a Subsidiary; and

(B) the principal or nominal amount secured by the Security Interest as at the date the Person became a Subsidiary is not subsequently increased; and

(ii) any Security Interest on accounts receivable, inventory or other assets in connection with Permitted Securitisation Transactions.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

"Project Company" means any member of the Group (which is not the Issuer or a Guarantor) whose sole activity is or will be the ownership and development and/or operation of a project, including, without limitation:

(i) the discovery, mining, extraction, transportation or development (in each case whether directly or indirectly) of metals or minerals, energy products or agricultural products; or

(ii) the development or operation of processing facilities (in each case whether directly or indirectly) related to natural resources or agriculture, including, without limitation, metals smelting, processing and refining.

"Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amount) in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are intended to be, with the consent of the person issuing the same, quoted, listed or ordinarily traded on any stock exchange or recognised over the counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

"Security Interest" means any mortgage, charge, pledge, lien or other security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

"Subsidiary" means, in relation to any Person, any corporation, association or other business entity more than 50 per cent. of the Voting Shares of which is at the time owned, directly or indirectly, by such Person. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a direct or indirect Subsidiary of the Company.

"Subsidiary Assets" means the total assets of a Subsidiary of the Company, excluding all intercompany assets and liabilities, all as reported in the latest consolidated financial statements of that Subsidiary (or, in relation to a Subsidiary of the Company that does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Subsidiary Borrowing Costs" of any Subsidiary of the Company means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalised or not, and the interest element of Finance Leases) incurred by such Subsidiary in effecting, servicing or maintaining Financial Indebtedness plus rent payments under operating leases, less interest received by such Subsidiary, all as reported in the latest consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of the Company, which does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Subsidiary Income (or Loss) before Borrowing Costs and Tax" means the Consolidated (Loss)/Income of any Subsidiary of the Company (or, in relation to such a Subsidiary which does not have any Subsidiaries, the non-consolidated income), adjusted by adding back any cumulative effect of changes in accounting policy, minority interests, income taxes, extraordinary items and Subsidiary Borrowing Costs for the year, but excluding all inter-Subsidiary transactions such as, but not limited to, dividends, commissions and management fees all as reported in the latest consolidated financial statements of such Subsidiary (or, in

relation to a Subsidiary of the Company that does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Voting Shares" means, with respect to any person, the securities of any class or classes of such person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or persons performing similar functions) of such person.

**Repurchase on Change of Control Repurchase Event**

Unless the Notes are otherwise subject to redemption as described under "*—Optional redemption*" or "*—Redemption for tax reasons*" and the Issuer has elected to exercise its right to redeem the Notes, if a Change of Control Repurchase Event occurs, the Issuer will make an offer to each Noteholder to repurchase all or any part of such Noteholder's Notes (in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof) at a repurchase price in cash equal to 101 per cent. of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the principal amount of the Notes repurchased to the date of repurchase.

Within:

- 30 days of a Change of Control Repurchase Event; or
- at the Issuer's option, prior to a Change of Control,

but after the public announcement of an impending Change of Control, the Issuer shall give notice to each Noteholder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice (the "Repurchase Payment Date"), which date will be no earlier than 10 days and no later than 60 days from the date on which such notice is dispatched. The notice shall, if given prior to the Change of Control, state that the offer to repurchase is conditional on the Change of Control Repurchase Event occurring on or prior to the Repurchase Payment Date.

The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the "Repurchase on Change of Control Repurchase Event" provision in the Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall be deemed not to have breached its obligations under the "Change of Control Repurchase Event" provision by virtue of such conflict.

On the Repurchase Payment Date, the Issuer shall, to the extent lawful:

- accept for payment all Notes or portions of Notes (in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof) properly tendered pursuant to its offer;
- deposit with the Paying Agent money sufficient to pay the repurchase price of and accrued interest on the Notes or portions of Notes so properly tendered; and
- deliver or cause to be delivered to the Trustee an officers' certificate stating the aggregate principal amount of Notes being purchased by it.

Upon presentation of any Note repurchased in part only, the Issuer will execute and the Trustee, an authentication agent on its behalf or the Registrar will authenticate and deliver to or on the order of the Noteholder thereof, at the expense of the Issuer, a new Note or Notes, of authorised denominations, in principal amount equal to the unredeemed portion of the Note so presented.

The Issuer shall not be required to make an offer to repurchase the Notes upon the occurrence of a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer, and such third party purchases all Notes properly tendered, and not withdrawn, under its offer.

In connection with such repurchase of Notes, the following defined terms apply:

- a "Below Investment Grade Rating Event" occurs once the Notes are rated below Investment Grade by each Rating Agency on any date from 30 days prior to the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency);
- each of the following constitutes a "Change of Control":
  - (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of the Group's properties or assets as an entirety or substantially as an entirety to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a member of the Group;
  - (ii) the consummation of any transaction (including, without limitation, any consolidation, amalgamation or merger) the result of which is that (A) any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50 per cent. of the then outstanding number of shares of the Voting Stock or (B) any of the outstanding Voting Stock is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the aggregate voting power of the Voting Stock of the surviving Person immediately after giving effect to such transaction; or
  - (iii) the first day on which a majority of the members of the Board of Directors are not Continuing Directors;
- a "Change of Control Repurchase Event" occurs once a Change of Control and a Below Investment Grade Rating Event have both occurred;
- "Continuing Directors" means, as of any date of determination, any member of the Board of Directors:
  - (i) who was a member of such Board of Directors on the date of the issuance of the Notes; or
  - (ii) who was nominated for election or elected to the Board of Directors with the approval of a majority of the Continuing Directors who were members of the Board of Directors at the time of such nomination or election;
- "Investment Grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's) and a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by the Issuer;
- "Moody's" means Moody's Investors Service, Inc.;
- "Rating Agency" means:

(i) each of Moody's and S&P; and

(ii) if any of Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available, a "nationally recognized statistical rating organization" (as such term is defined in Section 3(a)(62) of the Exchange Act) selected by the Issuer as a replacement agency for Moody's or S&P, as the case may be;

- "S&P" means Standard & Poor's Financial Services LLP, a division of S&P Global; and
- "Voting Stock" means the Company's issued ordinary share capital.

**Covenants of the Issuer and the Guarantors**

***Negative pledge***

None of the Issuer and the Guarantors will, and the Guarantors will not permit any Material Subsidiary to, directly or indirectly, create, incur, assume or permit to exist any Security Interest, except for Permitted Security Interests, on or with respect to any property or assets of the Issuer, any Guarantor or any Material Subsidiary (whether held on the date hereof or hereafter acquired) or any interest therein or any income or profits therefrom to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes, or the Guarantors' obligations under the Guarantees, are secured equally and ratably therewith or benefit from another arrangement (whether or not comprising a Security Interest) as the Trustee deems is not materially less beneficial to the interests of the Noteholders or as approved with the consent of the Noteholders of not less than a majority in aggregate principal amount of the Notes of the affected series then outstanding.

***Provision of annual reports and financial information***

For so long as the Notes are outstanding, the Company shall deliver to the Trustee (i) upon the request of the Trustee as soon as practicable after their date of publication and in any event not more than 180 days after the end of each financial year, two copies of its annual reports. And (ii) upon the request of the Trustee as soon as practicable after their date of publication, half year result announcements and other filings it forwards to the FCA.

**Consolidation, amalgamation and merger and sale of assets**

Each of the Issuer and the Guarantors may not consolidate or amalgamate with or merge into with any other Person, or, directly or indirectly, convey, transfer or lease their respective properties and assets as an entirety or substantially as an entirety to any Person, unless:

- the Person formed by or continuing from such consolidation or amalgamation or into which the Issuer or such Guarantor is merged or the Person which acquires or leases the Issuer's or such Guarantor's properties and assets as an entirety or substantially as an entirety is organised and existing under the laws of the United States, any state thereof or the District of Columbia, the United Kingdom or Switzerland or any other country that is a member of the Organization for Economic Cooperation and Development or, if such consolidation, amalgamation, merger or other transaction would not impair the rights of the Noteholders under the Indenture, in any other country, provided that, if such successor Person is organised under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia, the United Kingdom or Switzerland or any other country that is a member of the Organization for Economic Cooperation and Development the successor Person assumes the Issuer's or such Guarantor's obligations under the Notes and the Indenture to pay Additional Amounts (as defined above under the section headed "*—Payment of Additional Amounts*");

- the successor Person expressly assumes or assumes by operation of law all of the Issuer's or such Guarantor's obligations under the Notes and under the Indenture;
- immediately before and after giving effect to such transaction, no Event of Default (as defined below) and no event which, after notice or lapse of time or both, would become an Event of Default will have happened and be continuing; and
- certain other conditions are met.

If, as a result of any such transaction, any of the Issuer's or such Guarantor's property or assets becomes subject to a Mortgage, then, unless such Mortgage could be created pursuant to the Indenture provisions described above in the section headed "*—Covenants of the Issuer and the Guarantors—Negative pledge*" without equally and ratably securing the Notes, the Issuer or such Guarantor, simultaneously with or prior to such transaction, will cause the Notes to be secured equally and ratably with or prior to the Financial Indebtedness secured by such Mortgage.

The Notes will not contain covenants or other provisions to afford protection to Noteholders in the event of a highly leveraged transaction or a change in control of the Issuer or the Guarantors except as provided above.

Upon certain mergers or consolidations involving the Issuer or the Guarantors, or upon certain sales or conveyances of the respective properties of the Issuer or the Guarantors as an entirety or substantially as an entirety, the obligations of the Issuer or the Guarantors, as the case may be, under the Notes or the Guarantees, as the case may be, shall be assumed by the Person formed by such merger or consolidation or which shall have acquired such property and upon such assumptions such Person shall succeed to and be substituted for the Issuer or the Guarantors, as the case may be, and then the Issuer or the Guarantors, as the case may be, will be relieved from all obligations under the Notes and the Guarantees, as the case may be. The terms "Issuer", "Guarantor" and "Guarantors", as used in the Notes and the Indenture, also refer to any such successors or assigns so substituted.

**Events of Default**

The following will be Events of Default (each an "Event of Default") with respect to any series of Notes:

(i) default in the payment of any instalment of interest (excluding Additional Amounts) upon any series of Notes as and when the same shall become due and payable, and continuance of such default for 30 days;

(ii) default in the payment of the Additional Amounts as and when the same shall become due and payable, and continuance of such default for a period of 30 days;

(iii) default in the payment of all or any part of the principal of or premium, if any, on any series of Notes as and when the same shall become due and payable either at maturity, upon any redemption, by declaration or otherwise;

(iv) default in the performance or breach of any covenant or warranty of the Issuer or the Guarantors in respect of any series of Notes or the Indenture (other than those described in paragraphs (i), (ii) and (iii) above), and continuance of such default or breach for a period of 60 days after there has been given written notice to the Issuer, the Guarantors and the Trustee by the registered holders of at least 25 per cent. in principal amount of such series of Notes;

(v) any present or future Financial Indebtedness of the Issuer, the Guarantors or any Material Subsidiary other than (A) Non-recourse Indebtedness of the Issuer, a Guarantor or any Material Subsidiary, (B) intra-Group indebtedness, (C) indebtedness of Viterra Ltd. and (D) trade credit incurred in the ordinary

course and on standard commercial terms, other than the Notes, having a then outstanding principal amount in excess of U.S.$100,000,000 being accelerated by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders in accordance with any agreement or instrument evidencing such indebtedness;

(vi) the Issuer, a Guarantor or any Material Subsidiary admits in writing that it is unable to pay its debts generally; or a resolution is passed by the board of directors of the Issuer or a Guarantor to be wound up or dissolved; or

(vii) certain events in bankruptcy, insolvency or reorganisation involving the Issuer, a Guarantor or any Material Subsidiary.

If an Event of Default occurs and is continuing, then and in each and every such case (other than the Events of Default specified in paragraph (vii) above), unless the principal of such series of Notes shall have already become due and payable, the Noteholders of not less than 25 per cent. in aggregate principal amount of such series of Notes then outstanding (each such series voting as a separate class), by notice in writing to the Issuer, the Guarantors and the Trustee, may declare the entire principal amount of such series of Notes and interest accrued and unpaid thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in paragraph (vii) above occurs and is continuing, the principal amount of and accrued and unpaid interest on all the Notes shall become immediately due and payable, without any declaration or other act on the part of any Noteholder. Under certain circumstances, the Noteholders of a majority in aggregate principal amount of the Notes of a series affected by the default, each series voting as a separate class, by written notice to the Issuer, the Guarantors and the Trustee, may waive defaults and rescind and annul declarations of acceleration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impart any right consequent thereon.

***Defeasance***

The Issuer will have the option either (i) to be deemed (together with the Guarantors) to have paid and discharged the entire indebtedness represented by, and obligations under, the Notes and the Guarantees and to have satisfied all the obligations under the Indenture, the Notes and the Guarantees (except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain paying agencies) on the 91st day after the conditions described below have been satisfied or (ii) to cease (together with the Guarantors) to be under any obligation to comply with the covenants described above in the sections headed "*—Covenants of the Issuer and the Guarantors—Negative pledge*" and "*—Covenants of the Issuer and the Guarantors—Provision of annual reports and financial information*" and the condition relating to the absence of any events of default above in the section headed "*—Consolidation, amalgamation and merger and sale of assets*" under the Notes, and non-compliance with such covenants and the occurrence of certain events described above in the section headed "*—Events of Default*" will not give rise to any Event of Default under the Notes, at any time after the conditions described below have been satisfied.

In order to exercise either defeasance option, the Issuer must: (a) deposit with a defeasance agent, irrevocably in trust, money or Government Obligations for the payment of principal and interest on the outstanding Notes to and including the Redemption Date irrevocably designated by the Issuer on or prior to the date of deposit of such money or Government Obligations; (b) comply with certain other conditions, including delivering to a defeasance agent either an opinion of U.S. counsel or a ruling received from or published by the United States Internal Revenue Service, to the effect that Noteholders will not recognise income, gain or loss for United States federal income tax purposes as a result of the exercise of such option and will be subject to United States federal income tax on the same amount and in the same manner and at

the same time as would have been the case if such option had not been exercised and which, in the case of (a) above, is based on a change of law after the Closing Date; and (c) pay in full all other amounts due and owing under the Indenture.

**Modification and waiver**

***Without consent of Noteholders***

The Issuer, the Guarantors and the Trustee may, without the consent of the Noteholders, from time to time and at any time, amend the Indenture or the Notes or enter into an agreement:

- to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Notes any property or assets;
- to evidence the succession of another Person to the Issuer or the Guarantors, as the case may be, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Issuer or the Guarantors, as the case may be, pursuant to the Indenture;
- to evidence and provide for the acceptance of appointment of a successor Trustee, Paying Agent, Registrar or Transfer Agent, as the case may be;
- to add to the covenants of the Issuer and the Guarantors, as the case may be, such further covenants, restrictions, conditions or provisions as the Issuer and the Guarantors, as the case may be, shall certify to be for the protection of the Noteholders, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in the Notes or Guarantees; provided that, in respect of any such additional covenant, restriction, condition or provision, the relevant agreement may provide for a particular period of grace after default (which may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the right of the Noteholders of a majority in aggregate principal amount of the Notes to waive such an Event of Default;
- to modify the restrictions on, and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to cure any ambiguity or to correct or supplement any provision contained in the Notes which may be defective or inconsistent with any other provision contained therein or to make such other provision in regard to matters or questions arising under the Notes as the Issuer or Guarantors may deem necessary or desirable and which will not adversely affect the interests of the Noteholders in any material respect; and
- to issue further securities having identical terms and conditions in all respects (or in all respects except for the first payment of interest on such further securities) as the Notes so that the further issue is consolidated and forms a single series with the Notes and would be treated as fungible with the Notes for U.S. federal income tax purposes.

In connection with any amendment or supplement pursuant to the foregoing, the Trustee shall be entitled to receive and rely on an opinion of counsel and a certificate from an authorised representative of the Issuer as to the permissibility of the entry into such amendment.

***With consent of Noteholders***

The Issuer, the Guarantors and the Trustee may, with the consent of the Noteholders of not less than a majority in aggregate principal amount of the Notes of all series affected by the amendment or modification at the

time outstanding (voting as one class) (including consents obtained in connection with a tender offer or exchange offer for such Notes), from time to time and at any time, enter into an agreement to add any provisions to or change in any manner or eliminate any of the provisions of the Notes or the Indenture or to modify in any manner the rights of the Noteholders; provided that no such amendment of the Notes or the Indenture may, without the consent of the registered holders of 90 per cent. of the Notes so affected:

- change the stated maturity of the principal of or the date for payment of any instalment of interest on such series of Notes;
- reduce the principal amount of or interest on such series of Notes or Additional Amounts payable with respect thereto or reduce the amount payable thereon in the event of redemption or default;
- change the currency of payment of principal of or interest on such series of Notes or Additional Amounts payable with respect thereto;
- change the obligation of the Issuer or any Guarantor, as the case may be, to pay Additional Amounts;
- impair the right to institute suit for the enforcement of any such payment on or with respect to such series of Notes; or
- reduce the above-stated percentage of aggregate principal amount of such series of Notes outstanding necessary to modify or amend the Indenture or any such series of Notes or to waive any future compliance or past default or reduce the percentage of the aggregate principal amount of such series of Notes outstanding necessary to rescind or annul any declaration of the principal of and all accrued and unpaid interest on such series of Notes to be due and payable,

*provided* that no consent of any Noteholder shall be necessary to permit the Trustee, the Issuer and the Guarantors to execute a supplemental Indenture described above in the section headed "*—Without consent of Noteholders*".

Any modifications, amendments or waivers to the Indenture or to any series of Notes will be conclusive and binding on all Noteholders of such series of Notes, whether or not they have consented to such action, and on all future Noteholders of the affected series, whether or not notation of such modifications, amendments or waivers is made upon such Notes. Any instrument given by or on behalf of any Noteholder of such a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent registered Noteholders.

**Consent to service**

Each of the Issuer and the Guarantors will accept service of process in any legal suit, action or proceeding arising out of or relating to the performance of its obligations under the Notes or the Guarantees brought in any state or federal court in the Borough of Manhattan, the City of New York, by, among other methods, mail or facsimile, and will irrevocably submit (but for those purposes only) to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding.

**Governing law**

The Notes and the Indenture shall be governed by and construed in accordance with the laws of the State of New York. The Guarantee provided by the Company will be governed by English law. The Guarantees provided by GIAG and Glencore Schweiz will be governed by Swiss law.

The Indenture also contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified or secured to its satisfaction.

## BOOK-ENTRY, DELIVERY AND FORM

The Notes are being offered and sold within the United States initially to qualified institutional buyers in reliance on Rule 144A (the "Rule 144A Notes") and outside the United States initially to, or for the account or benefit of, persons other than U.S. persons in reliance on Regulation S (the "Regulation S Notes"). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

Each series of the Notes will initially be represented by one or more Notes in global form that together will represent the aggregate principal amount of such series of Notes. Rule 144A Notes will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Rule 144A Global Notes"). Regulation S Notes will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Regulation S Global Notes"). Following the expiration of the 40-day distribution compliance period, the Rule 144A Global Notes will be deposited on or about the Closing Date with a custodian for DTC, and registered in the name of, Cede & Co., as nominee for DTC, in each case, for credit to an account of a participant in DTC, as described below. The Regulation S Global Notes will also be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee for DTC, for credit to the respective accounts of beneficial owners of such Notes (or to such other accounts as they may direct) at DTC, Euroclear and Clearstream, Luxembourg.

The Rule 144A Global Notes and the Regulation S Global Notes together comprise the "Global Notes". Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time, except in the limited circumstances described below. See "*—Exchanges between Regulation S Global Notes and Rule 144A Global Notes*".

Beneficial interests in the Global Notes may not be exchanged for definitive registered Notes in certificated form (the "Definitive Registered Notes") except in the limited circumstances described below. See "*—Definitive Registered Notes*". Except in the limited circumstances described in "*—Definitive Registered Notes*", owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Beneficial interests in the Global Notes may only be held through DTC at any time. Any person wishing to own a beneficial interest in the Global Notes must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with DTC (including through Euroclear and Clearstream, Luxembourg).

By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person, and that, if it determines to transfer such beneficial interest prior to the expiration of the 40-day distribution compliance period, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Note (if applicable). See "*Transfer Restrictions*".

By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the relevant agency agreement. See "*Transfer Restrictions*". Except as described in "*—Definitive Registered Notes*", owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

### Payments on Global Notes

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC or its nominee in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the Trustee and any agent of the Issuer or the Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Group, the Trustee nor any of the Group's or the Trustee's respective agents has or will have any responsibility or liability for:

- any aspect of the accuracy of DTC's records or any participant's or indirect participant's records (including those of Euroclear or Clearstream, Luxembourg) relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records (including those of Euroclear or Clearstream, Luxembourg) relating to the beneficial ownership interests in the Global Notes; or
- any other matter relating to the actions and practices of DTC or any of their participants or indirect participants (including Euroclear or Clearstream, Luxembourg).

DTC has advised the Issuer and the Guarantors that its current practice, upon receipt of any payment in respect of securities, such as the Notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its holdings of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants (including Euroclear or Clearstream, Luxembourg) to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee or the Group. Neither the Group nor the Trustee, nor any of their respective agents, will be liable for any delay by DTC or any of the participants or the indirect participants (including Euroclear or Clearstream, Luxembourg) in identifying the beneficial owners of the Notes, and the Group and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes. Subject to the procedures and limitations described herein, transfers of beneficial interests within a Global Note may be made without delivery to the Issuer, the Guarantors, the Trustee or any of their respective agents of any written certifications or other documentation by the transferor or transferee.

### Currency of payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes in U.S. dollars.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. Neither the Group nor the Trustee nor the Paying Agents nor the Initial Purchasers nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

### Action by owners of beneficial interests in the Global Notes

DTC has advised the Group that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC

reserves the right to exchange the Global Notes for legended Definitive Registered Notes, and to distribute such Definitive Registered Notes to their participants.

**Transfers**

Subject to the transfer restrictions set forth under "Transfer Restrictions", transfers between the participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and, in the case of Regulation S Global Notes held through Euroclear or Clearstream, Luxembourg, as participants to DTC, in accordance with the respective rules and operating procedures of Euroclear and Clearstream, Luxembourg. The rules and operating procedures of DTC, Euroclear and Clearstream, Luxembourg may change from time to time.

**Definitive Registered Notes**

Under the terms of the Indenture, owners of beneficial interests in the Global Notes will receive Definitive Registered Notes if:

- DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary;
- the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Definitive Registered Notes; or
- there has occurred and is continuing a default or Event of Default with respect to the Notes and the Trustee receives a written request for Definitive Registered Notes from a holder of Notes.

In addition, beneficial interests in a Global Note may be exchanged for Definitive Registered Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Definitive Registered Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend set forth in "Transfer Restrictions", unless that legend is not required by applicable law.

Definitive Registered Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Transfer Restrictions*".

**Exchanges between Regulation S Global Notes and Rule 144A Global Notes**

Prior to the expiration of the Restricted Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and
- the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a person: (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A; (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period,

only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 under the Securities Act (if available).

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC and its participants (including Euroclear or Clearstream, Luxembourg) may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

**Settlement**

***Settlement and transfer of Notes***

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note, or the beneficial owner, will in turn be recorded on the participants' and indirect participants' records. Beneficial owners will not receive written confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant or indirect participant through which such beneficial owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual beneficial owners of the Notes held within such clearing system and their records will reflect only the identity of the participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Transfers of ownership or other interest in a Global Note may be made only through a participant in DTC. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest. Neither the Group, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of their respective agents will have any responsibility for the performance by DTC or its participants or indirect participants (including Euroclear or Clearstream, Luxembourg) of their respective obligations under the rules and procedures governing their operations.

**Information concerning DTC**

The following description of the operations and procedures of DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to changes

by them. Neither the Issuer nor the Initial Purchasers take any responsibility for these operations and procedures and investors are urged to contact the system or their participants directly to discuss these matters.

DTC is a limited purpose trust company organised under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC has advised the Group that DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions in those securities between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates.

The participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organisations. Access to DTC's system is also available to other entities, or indirect participants, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants. DTC has also advised us that, pursuant to procedures established by it:

- upon deposit of the Global Notes, DTC will credit the accounts of the participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and
- ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are participants may hold their interests therein directly through DTC. Investors in the Global Notes who are not participants may hold their interests therein indirectly through organisations (including Euroclear and Clearstream, Luxembourg) which are participants. As participants in DTC, Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. All interests in a Global Note, including those held through Euroclear or Clearstream, Luxembourg as participants in DTC, are subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg as participants in DTC, may also be subject to the procedures and requirements of such systems.

# TAXATION

## Certain U.S. federal income tax considerations

*The following discussion is a summary based on present law of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes by a U.S. Holder (as defined below). This discussion addresses only U.S. Holders who purchase Notes in the original offering at the issue price, hold the Notes as capital assets (generally, property held for investment) and use the U.S. dollar as their functional currency. The issue price is the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to underwriters, placements agents or wholesalers. This discussion is not a complete description of all U.S. tax considerations that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the purchase, ownership or disposition of the Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address U.S. state, local, non-U.S. or other tax laws (such as estate and gift tax laws). It does not address the tax treatment of prospective purchasers that will hold the Notes in connection with a permanent establishment or other qualified business unit outside of the United States. It also does not address the tax treatment of prospective purchasers subject to special rules, such as banks or other financial institutions, dealers, traders that elect to mark to market, insurance companies, individual retirement accounts and other tax-deferred accounts, entities treated as partnerships for U.S. federal income tax purposes or partners in such entities, U.S. expatriates, tax-exempt entities, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, persons using the accrual method of accounting for U.S. federal income tax purposes and who are required to recognise income for such purposes no later than when such income is taken into account in an applicable financial statement or persons that will hold the Notes as part of a hedge, straddle, conversion or other integrated financial transaction.*

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organised under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court, or a trust that has validly elected to be treated as a domestic trust for U.S. federal income tax purposes or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes acquires or holds the Notes, the tax treatment of a partner in such entity or arrangement generally will depend upon the status of the partner and the activities of the partnership. A prospective purchaser that is an entity or arrangement treated as a partnership for U.S. federal income tax purposes should consult its own tax advisers concerning the U.S. federal income tax consequences to them and their partners of the purchase, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

This summary assumes that the Notes will have an issue price equal to their stated redemption price at maturity or will be issued with less than a statutorily defined *de minimis* amount of original issue discount ("OID") and, as such, assumes that the Notes will be considered to be issued without OID for U.S. federal income tax purposes, which the Issuer expects to be the case.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF**

**PURCHASING, OWNING AND DISPOSING OF THE NOTES, THE APPLICABILITY AND EFFECT OF U.S. STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### Interest

Interest on the Notes, including any additional amounts, generally will be includible in the gross income of a U.S. Holder in accordance with its regular method of tax accounting for U.S. federal income tax purposes. The interest paid by the Issuer on the Notes generally will be ordinary income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

### Sale, redemption or other taxable disposition

A U.S. Holder generally will recognise gain or loss on the sale, redemption or other taxable disposition of a Note in an amount equal to the difference between the amount realised (less any accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be the cost of the Note.

Gain or loss on the sale, redemption or other taxable disposition of a Note generally will be treated as capital gain or loss from U.S. sources. Capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year. Deductions for capital losses are subject to limitations.

### Reporting and backup withholding

Payments of principal and interest on, and proceeds from the sale, redemption or other taxable disposition of, a Note by a U.S. paying agent or other U.S. intermediary will be reported to the U.S. Internal Revenue Service (the "IRS") and to the U.S. Holder unless such holder establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. A U.S. Holder generally can claim a credit against its U.S. federal income tax liability for the amount of any backup withholding and a refund of any excess, provided that the required information is timely furnished to the IRS. Certain U.S. Holders are not subject to backup withholding. Prospective investors should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for establishing an exemption, as well as about any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain "specified" foreign financial assets".

### United Kingdom taxation

The comments below are of a general nature based on current United Kingdom law as applied in England and Wales and HMRC practice (which may not be binding on HMRC), in each case at the latest practicable date before the date of this document. They are not intended to be, nor should they be construed to be, legal or tax advice and are included below solely for information purposes. They are not intended to be exhaustive. They assume that neither the Issuer nor any of the Guarantors is United Kingdom resident or acts through a permanent establishment in the United Kingdom in relation to the Notes and that no other nexus with the United Kingdom results in either interest on the Notes or payments in respect of the Guarantees having a United Kingdom source. They relate only to the position of persons who hold their Notes and coupons as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and are the absolute beneficial owners thereof. In particular, Noteholders holding their Notes via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. The comments do not relate to any further issuances of the same series of Notes. The comments may not necessarily apply where the income is deemed for tax purposes to be

the income of any other person and they further may not apply to certain classes of persons such as dealers or certain professional investors or persons who are connected with the Issuer. Prospective Noteholders should consult their own professional advisers as to the United Kingdom tax consequences of holding and disposing of Notes and receiving payments of interest or principal under the Notes, as well as if they are in any doubt as to their own technical position.

**Interest withholding**

Payments of interest on the Notes made by the Issuer may be made without any withholding or deduction for or on account of United Kingdom income tax. Any payments in respect of the Guarantees may be made without withholding or deduction for or on account of United Kingdom income tax.

**Corporate Noteholders within the charge to United Kingdom corporation tax**

The tax treatment of Noteholders within the charge to United Kingdom corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will generally be in accordance with their respective statutory accounting treatment so long as such accounting treatment is in accordance with IFRS or UK generally accepted accounting practice. The accounting treatment will affect the tax treatment of holding or disposing of the Notes. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will be brought into account as income. Noteholders within the charge to United Kingdom corporation tax should therefore consult their own accounting and tax advisers concerning the tax liabilities that may arise in respect of the Notes.

**Other UK taxpayers**

On the date of issue of the Notes, it is not expected that the Notes will constitute "Deeply Discounted Securities" within the meaning of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Notes.

A disposal of a Note by a Noteholder who is either an individual or a trustee and is resident for tax purposes in the United Kingdom or, in the case of individuals, who cease to be resident in the United Kingdom for a period of five years or less, may give rise to a chargeable gain or allowable loss for the purposes of United Kingdom taxation of capital gains. In calculating any gain or loss on disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for any Note. Any accrued interest at the date of disposal may be taxed under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007.

**Stamp duty and stamp duty reserve tax**

No United Kingdom stamp duty or stamp duty reserve tax should be payable on the issue of the Notes.

**Swiss taxation**

The following statements contain an overview of the Swiss tax implications resulting from the Notes. The following statements are based upon Swiss tax laws and administrative practices as currently in force. Modifications of the applicable legal regulations may necessitate a re-evaluation of the tax consequences. The summary below is not a substitute for legal or tax advice sought by interested parties. Prospective investors should seek advice of their tax advisers to clarify any tax implications resulting from an investment in the Notes.

**Swiss income tax**

*Swiss Resident Private Noteholders*: For private Noteholders resident in Switzerland who hold the Notes as private assets (*Privatvermögen*), the interest payments are treated as taxable interest and, thus, subject to Swiss federal income and cantonal and municipal income taxes.

*Swiss Resident Business Noteholders*: Swiss residents who hold the Notes as business assets and foreign residents who hold the Notes through a permanent establishment or a fixed place of business (*Geschäftsvermögen*) are in general taxed according to Swiss statutory accounting principles (*Massgeblichkeitsprinzip*) for purposes of Swiss federal income and cantonal and municipal income taxes. Interest payments are in general part of the taxable business profit. Capital gains realised on the sale or redemption of the Notes are part of their taxable business profit subject to Swiss federal income and cantonal and municipal income taxes. This provision also applies to individuals who qualify as so-called professional securities dealers (*gewerbsmässige Wertschriftenhändler*) for tax purposes.

**Swiss Withholding Taxes**

According to the current practice of the Swiss Federal Tax Administration, payments by the Issuer or any Guarantor in respect of interest due in connection with the Notes should not be subject to Swiss Withholding Taxes (*Verrechnungssteuer*), provided that the proceeds of the Offering will be either (i) used outside of Switzerland (as interpreted by the Swiss tax authorities) or (ii) used in Switzerland (as interpreted by the Swiss tax authorities) as it is permitted under Swiss tax laws in force from time to time without payments in respect of interest due in connection with the Notes becoming subject to withholding or deduction for Swiss Withholding Tax as a consequence of such use of proceeds in Switzerland (as interpreted by the Swiss tax authorities). On 5 February 2019, the Swiss Federal Tax Administration published the practice note 010-DVS-2019 outlining its new practice regarding the treatment of bonds issued by non-Swiss subsidiary issuers under a guarantee from a Swiss (tax resident) parent company with respect to Swiss Withholding Tax.

Irrespective of the foregoing, any payment made by GIAG or Glencore Schweiz pursuant to its Guarantee or under the Indenture may be subject to Swiss Withholding Taxes (the present rate of which is 35 per cent.) if such payments have to be regarded as a deemed dividend distribution.

Under Swiss law, the obligation to gross-up, indemnify or otherwise hold harmless the beneficiaries of a payment for the deduction of Swiss Withholding Tax is void and, thus, may prejudice the enforceability of anything to the contrary contained in the Guarantees, the Indenture, the Notes or any other document or agreement.

**Proposed New Swiss Withholding Tax Legislation**

On 4 November 2015, the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for a reform of the Swiss Withholding Tax system. The proposal presented by the group of experts as its recommendation for reform of Swiss Withholding Tax in December 2018 provides, among other things, for a replacement of the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss Withholding Tax. This paying agent-based regime is expected to be similar to the one contemplated in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015.

At its meeting on 26 June 2019 and 27 September 2019, the Swiss Federal Council decided to resume the suspended reform of the Swiss Withholding Tax. The Swiss Federal Council has decided on the objectives and key parameters. Among other things, it was planned to extend the purpose of the Swiss Withholding Tax for individuals resident in Switzerland. Accordingly, the Swiss Federal Council planned to include the Swiss Withholding Tax also on interest investments on foreign securities. This requires a change from the existing debtor-based regime to a paying agent-based regime. Under such a new paying agent regime, if introduced, a

Swiss paying agent would have to levy and pay Swiss Withholding Tax on interest payments and the like of domestic and foreign securities, provided that the beneficiary is an individual resident in Switzerland. A respective consultation draft of the Swiss Federal Council was issued on 3 April 2020. The proposal intended to replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. On 11 September 2020, however, the Swiss Federal Council decided to prepare and submit for parliamentary consultation a dispatch (*Botschaft*) proposing to abolish Swiss withholding tax on interest payments made under bonds and notes. The dispatch (*Botschaft*) is expected for the second half of 2021. If such a new paying agent-based regime were to be enacted and were to result in the deduction or withholding of Swiss Withholding Tax on any interest payments in respect of a Note by any person other than the Issuer, failing which each Guarantor, the terms and conditions of the Notes and the Guarantees do not provide for an obligation to gross up such withholding.

**Stamp duties**

No Swiss stamp duties will be imposed in connection with the issuance or redemption of the Notes. The transfer of the Notes will be subject to the Swiss Transfer Stamp Duty (*Umsatzabgabe*) if (i) such transfer or sale is made by or through the intermediation of a securities dealer resident in Switzerland or Liechtenstein, as defined in the Swiss Stamp Tax Act (*Bundesgesetz über die Stempelabgaben*), and (ii) no exception applies.

**Jersey taxation**

The following summary of the anticipated tax treatment in Jersey of Noteholders (other than residents of Jersey) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Noteholders should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of Notes under the laws of the jurisdictions in which they may be liable to taxation. Noteholders should be aware that tax rules and practice and their interpretation may change.

Given that the Company is managed in Switzerland and hence the Company is tax resident in Switzerland, the Company will be entitled to make payments in respect of the Guarantee without any withholding or deduction for or on account of Jersey income tax. For the avoidance of doubt, on the basis that the Company is tax resident in Switzerland and not in Jersey, the Taxation (Companies-Economic Substance) (Jersey) Law 2019 will not apply to the Company.

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Jersey has committed to implement the CRS. As a result, the Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Broadly, these are that the due diligence requirements under the CRS framework as adopted by Jersey commenced on 1 January 2016, with information to be reported to the Jersey Taxes Office from 30 June 2017. Information exchange between the Jersey Taxes Office and partner jurisdictions is automatic and has commenced.

Noteholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Notes.

## PLAN OF DISTRIBUTION

Pursuant to the Purchase Agreement dated 21 April 2021, the Initial Purchasers (who are named below) have severally agreed with the Issuer, subject to the satisfaction of certain conditions, to purchase the principal amount of Notes set forth opposite their names below:

| | Principal amount of 2026 Notes | Principal amount of 2031 Notes | Principal amount of 2051 Notes |
|---|---|---|---|
| **Initial Purchaser** | | | |
| J.P. Morgan Securities LLC | U.S.$120,000,000 | U.S.$120,000,000 | U.S.$100,000,000 |
| Mizuho Securities USA LLC | U.S.$120,000,000 | U.S.$120,000,000 | U.S.$100,000,000 |
| Morgan Stanley & Co LLC | U.S.$120,000,000 | U.S.$120,000,000 | U.S.$100,000,000 |
| Scotia Capital (USA) Inc. | U.S.$120,000,000 | U.S.$120,000,000 | U.S.$100,000,000 |
| SMBC Nikko Securities America, Inc. | U.S.$120,000,000 | U.S.$120,000,000 | U.S.$100,000,000 |
| **Total** | U.S.$600,000,000 | U.S.$600,000,000 | U.S.$500,000,000 |

J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co LLC, Scotia Capital (USA) Inc. and SMBC Nikko Securities America, Inc. are acting as Joint Book-Running Managers for the Offering.

The Purchase Agreement entitles the Initial Purchasers to terminate the issue of the Notes in certain circumstances prior to payment to the Issuer. The Issuer and the Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities in connection with the Offering and may be required to contribute to payments the Initial Purchasers may be required to make in respect thereof.

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased. If an Initial Purchaser defaults, the Purchase Agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the Purchase Agreement may be terminated.

The Initial Purchasers initially propose to offer the Notes at the offering prices set forth on the cover page hereof. After the initial Offering, the offering prices may from time to time be varied by the Initial Purchasers. The Initial Purchasers reserve the right to reject, cancel or modify an order of Notes in whole or in part.

Each of the Issuer and the Guarantors has agreed with the Initial Purchasers that neither it nor any person acting on its behalf will, without the prior written consent of the Initial Purchasers, for the period from and including the date of the Purchase Agreement through and including the date that is one day after the Closing Date, offer, sell, contract to sell or otherwise dispose of any debt securities (other than the Notes) of, or guaranteed by, the Issuer or the Guarantors and having a tenor of more than one year.

The Notes are new issues of securities with no established trading market.

The Initial Purchasers are not obligated to make a market in the Notes, and, accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes.

In connection with the Offering, the Initial Purchasers may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the date of issue of the Notes. However, there may be no obligation on the Initial Purchasers to do this. Such stabilisation, if commenced, may be discontinued at any time.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes or the possession, circulation or distribution of any material relating to the Issuer or the Guarantors in any jurisdiction where action for such purpose is required. Accordingly, the Notes and the Guarantees may not be offered or sold, directly or indirectly, nor may any offering material or advertisement in connection with the Notes and the Guarantees (including this Offering Circular and any amendment or supplement hereto) be distributed or published in or from any country or jurisdiction, except under circumstances that would result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Certain of the Initial Purchasers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates (including the Notes). Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer or its affiliates have hedged and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such Initial Purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Group will use the net proceeds of the Offering for general corporate purposes. Some of the Initial Purchasers and/or their affiliates may be lenders under such indebtedness and may accordingly receive a portion of the proceeds from the Offering.

**Pre-issue trades settlement**

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which is expected to be on or around the fourth business day following the date of pricing (such settlement being referred to as "T+4"). Under Rule 15c6-l under the Exchange Act, trades in the United States secondary market generally are required to settle in two business days ("T+2"), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next two succeeding business days will be required, by virtue of the fact the Notes will initially settle in T+4, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries may vary and purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade the Notes on the date of pricing or the next two succeeding business days should consult their own adviser.

**United States**

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Notes and the Guarantees (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Initial Purchaser to which it sells Notes and

the Guarantees during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantees within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the Offering of the Notes and the Guarantees, an offer or sale of Notes or Guarantees within the United States by any dealer that is not participating in the Offering may violate the registration requirements of the Securities Act.

**Prohibition of sales to EEA retail investors**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (c) not a qualified investor as defined in the Prospectus Regulation; and

(ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

**Prohibition of Sales to UK Retail Investors**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

(iii) the expression "retail investor" means a person who is one (or more) of the following:

  (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

  (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and

(iv) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

**United Kingdom**

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

**Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Initial Purchaser has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Jersey**

Each Initial Purchaser has represented and agreed that it has not circulated in Jersey any offer for subscription, sale or exchange of the Notes and will not circulate in Jersey any offer for subscription, sale or exchange of the Notes except in compliance with all applicable Jersey laws, orders and regulations, including, without limitation, the Control of Borrowing (Jersey) Order 1958.

**Hong Kong**

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (A) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO or (B) in other circumstances which do not result in this Offering Circular being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "CO") or which do not constitute an offer to the public within the meaning of the CO and (ii) it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong

Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO (Cap. 571) and any rules made under the SFO.

**Singapore**

Each Initial Purchaser has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**South Africa**

The Notes may not be offered for sale or subscription or sold, directly or indirectly, within South Africa or to any person or corporate or other entity resident in South Africa except (a) in accordance with the exchange control regulations of South Africa and (b) to any entity resident or within South Africa in accordance with (i) the Banks Act, 1990 and any regulations promulgated thereunder, including the Commercial Paper regulations, (ii) the Companies Act 2008; (iii) the Financial Advisory and Intermediary Services Act 2002; (iv) the JSE Listings Requirements and/or (v) any other applicable laws or regulations of South Africa in force from time to time. This Offering Circular will not be registered as a prospectus in terms of the Companies Act 2008 in South Africa.

**Switzerland**

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that:

This Offering Circular is not intended to constitute, and does not constitute, an offer to the public or solicitation to purchase or invest in the Notes described herein.

The Notes have not been and will not be publicly offered, directly or indirectly, in Switzerland, within the meaning of the Swiss Financial Services Act ("FinSA") except (i) to any investor that qualifies as a professional client within the meaning of the FinSA, and (ii) in any other circumstance qualifying as an exemption within the meaning of article 36 para. 1 of the FinSA, provided, in each case, that no such offer of Notes referred to in (i) and (ii) above shall require the publication of a prospectus for offers of the Notes in Switzerland pursuant to FinSA.

The Notes have not been and shall not be admitted to any trading venue (exchange or multilateral trading facility) in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the Notes (x) constitutes a prospectus pursuant to article 35 of the FinSA for a public offering of the Notes in Switzerland and no such prospectus has been or will be prepared for or in connection with the offering of the Notes in Switzerland or (y) has been or will be filed with or approved by a Swiss review body (*Prüfstelle*) pursuant to article 52 of the FinSA.

Neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

**Taiwan**

The Securities have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Securities in Taiwan. The Securities may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan.

## TRANSFER RESTRICTIONS

*The following restrictions will apply to the Notes (including the Guarantees). Prospective Noteholders are advised to consult legal counsel prior to making any offer, sale, resale, pledge or transfer of the Notes offered hereby.*

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (i) to QIBs in accordance with Rule 144A and (ii) to persons other than U.S. persons (each a "Foreign Purchaser", which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in offshore transactions meeting the requirements of Rule 903 or Rule 904 of Regulation S. As used herein, the terms "offshore transactions", "United States" and "U.S. person" have the respective meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the Closing Date, an offer or sale of the Notes within the United States by a dealer (not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of the Notes offered hereunder (other than each of the Initial Purchasers) will be deemed to have represented and agreed as follows (terms used in this section that are defined in Rule 144A or Regulation S are used herein as defined therein):

(a) it is purchasing the Notes (including the Guarantees) for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (1) is a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (2) is a Foreign Purchaser and is aware that the sale is being made in accordance with Regulation S;

(b) it understands that the Notes (including the Guarantees) have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred, except (1) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (3) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States;

(c) it agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to (1) the date which is one year after the later of the date of the original issue of the Notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes or (2) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date") only: (A) to the Issuer or any subsidiary thereof; (B) pursuant to a registration statement which has been declared effective under the Securities Act; (C) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A; (D) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or (e) pursuant to any other available exemption from the registration requirements of the Securities Act;

(d) it agrees to, and each subsequent Noteholder is required to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (b) above, if then applicable;

(e) if it is a person other than a Foreign Purchaser, it understands and agrees that Notes initially offered to QIBs in reliance on Rule 144A will be represented by the Rule 144A Global Note;

(f) if it is a Foreign Purchaser, it understands and agrees that the Notes initially offered in offshore transactions under Regulation S will be represented by the Regulation S Global Note;

(g) it understands that the Rule 144A Global Notes will bear a legend to the following effect:

NONE OF THIS NOTE, THE GUARANTEES OR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF GLENCORE FUNDING LLC (THE "ISSUER"), AND GLENCORE PLC, GLENCORE INTERNATIONAL AG AND GLENCORE (SCHWEIZ) AG (TOGETHER THE "GUARANTORS"), AND ANY OF THEIR SUCCESSORS IN INTEREST, THAT THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A ("QUALIFIED INSTITUTIONAL BUYER"), (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTORS, AND ANY OF THEIR SUCCESSORS IN INTEREST, THAT (A) IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE AND (B) IT IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.";

(h) it understands that the Regulation S Global Notes will bear a legend to the following effect:

"NONE OF THIS NOTE, THE GUARANTEES OR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF GLENCORE FUNDING LLC (THE "ISSUER"), AND GLENCORE PLC, GLENCORE INTERNATIONAL AG AND GLENCORE (SCHWEIZ) AG (TOGETHER THE "GUARANTORS") AND ANY OF THEIR SUCCESSORS IN INTEREST, THAT PRIOR TO 40 CALENDAR DAYS AFTER THE ISSUE DATE OF THIS NOTE, THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE

HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A ("QUALIFIED INSTITUTIONAL BUYER") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.";

(i) it acknowledges that prior to any proposed transfer of Notes or beneficial interests in Global Notes (in each case other than pursuant to an effective registration statement), the Noteholders or beneficial interests in Global Notes may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Notes; and

(j) it acknowledges that the Issuer, the Guarantors, the Initial Purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it by virtue of its purchase of Notes is no longer accurate, it shall promptly notify the Issuer, the Guarantors, the Initial Purchasers and the Trustee. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. For further information in relation to the requirements (including the presentation of transfer certificates) under the Notes and the Indenture to effect exchanges or transfer of interests in Global Notes, see "*Book-Entry, Delivery and Form*".

No representation can be made as to the availability of the exemption provided by Rule 144 for resale of the Notes.

## VALIDITY OF THE NOTES AND GUARANTEES

The validity of the Notes and Guarantee provided by the Company and certain other matters governed by U.S. federal, New York State and English law will be passed upon for the Group, the Issuer and each of the Guarantors by Linklaters LLP. The validity of the Guarantees provided by GIAG and Glencore Schweiz and certain other matters governed by Swiss law will be passed upon for GIAG and Glencore Schweiz by Niederer Kraft Frey AG. Certain matters governed by U.S. federal and New York State law will be passed upon for the Initial Purchasers by Clifford Chance LLP.

## INDEPENDENT AUDITORS

The annual consolidated financial statements of the Group as at and for the years ended 31 December 2019 and 2020 incorporated by reference into this Offering Circular have been audited by Deloitte LLP, independent auditors, as set forth in their reports thereon, included in the Financial Statements, and incorporated by reference herein.

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The definitions set out below apply throughout this Offering Circular, unless the context requires otherwise.

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| **2019 Financial Statements** | has the meaning given to it in "*Presentation of Information and Incorporation by Reference*" of this Offering Circular; |
| **2020 Financial Statements** | has the meaning given to it in "*Presentation of Information and Incorporation by Reference*" of this Offering Circular; |
| **Antamina** | means Compañía Minera Antamina S.A.; |
| **bbls** | means barrels of oil; |
| **BEE** | means Black Economic Empowerment; |
| **Board** | means the board of Directors of the Company; |
| **Century Aluminum** | means Century Aluminum Company, an entity in which the Group has a 47.2 per cent. economic interest; |
| **Cerrejón** | means Carbones del Cerrejón Limited; |
| **Collahuasi** | means Compañía Minera Dona Inés de Collahuasi SCM; |
| **CIM** | means the Canadian Institute of Mining, Metallurgy and Petroleum; |
| **CIM Council** | means the council of the CIM; |
| **CIM Definition Standards** | means standards for the classification of mineral resources and reserves into various categories as approved by CIM on 20 August 2000, and updated on 14 November 2004, for reporting of exploration information, mineral resources and mineral reserves in Canada, adopted by the CIM Council on 11 December 2005, and are incorporated by reference in NI 43-101; |
| **CIM Estimation Guidelines** | means guidelines intended to assist a Qualified Person, as defined in NI 43-101, in the planning, supervision, preparation and reporting of mineral resources and mineral reserves estimates in accordance with NI 43-101, as presented in the report "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated 30 May 2003 by CIM, adopted by the CIM Council on 23 November 2003; |
| **CIS** | means the Commonwealth of Independent States, whose participant countries are certain former members of the Union of Soviet Socialist Republics; |
| **Clearstream, Luxembourg** | means Clearstream Banking, SA; |
| **Closing Date** | means 27 April 2021; |
| **CO** | means the Companies Ordinance (Cap. 32) of Hong Kong; |
| **COMEX** or **NYMEX** | means the Commodity Exchange division of the New York Mercantile Exchange; |
| **Company** | means Glencore plc (previously known as Glencore International plc and Glencore Xstrata plc); |

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| **Definitive Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Definitive Registered Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Directors or Board of Directors** | means the directors of the Group, whose names appear in the section headed in "*Directors and Senior Management—Board of Directors*" of this Offering Circular; |
| **Disclosure and Transparency Rules** | means the Disclosure and Transparency Rules of the FCA; |
| **DRC** | means the Democratic Republic of the Congo; |
| **DTC** | means The Depository Trust Company; |
| **EEA** | means the European Economic Area; |
| **EU** | means the European Union; |
| **Euroclear** | means Euroclear Bank SA/NV; |
| **FCA** | means the Financial Conduct Authority; |
| **Financial Instruments and Exchange Act** | means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended); |
| **Financial Statements** | has the meaning given to it in "*Presentation of Information and Incorporation by Reference*" of this Offering Circular; |
| **Foreign Purchaser** | has the meaning given to it in "*Transfer Restrictions*" of this Offering Circular, and "Foreign Purchaser" means any one of them; |
| **FSMA** | means the Financial Services and Markets Act 2000; |
| **Gécamines** | means La Générale des Carrières et des Mines; |
| **Glencore** | means Glencore plc (previously known as Glencore International plc and Glencore Xstrata plc); |
| **Glencore International** or **GIAG** | means Glencore International AG, a company incorporated in Switzerland and a wholly owned subsidiary of the Company; |
| **Glencore Schweiz** | means Glencore (Schweiz) AG, formerly known as Xstrata (Schweiz) AG, a company incorporated in Switzerland and an indirect wholly owned subsidiary of the Company. |
| **Global Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Group** | means the Company and its subsidiaries and any subsidiary thereof from time to time; |
| **Guarantee** | means the guarantees relating to the Notes; |
| **Guarantors** | means the Company, GIAG and Glencore Schweiz and "Guarantor" means any one of them; |
| **HMRC** | means HM Revenue & Customs; |
| **IFRIC** | means International Financial Reporting Interpretations Committee; |

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| **IFRS** | means International Financial Reporting Standards as adopted by the European Union; |
| **Indenture** | means the indenture governing the Notes among the Issuer, the Guarantors, the Paying Agent, Transfer Agent and the Trustee, expected to be dated 27 April 2021; |
| **Indirect Participant** | means the banks, brokers, dealers, trust companies and other entities that have access to DTC's system that clear through or maintain a custodial relationship with a Participant either directly or indirectly; |
| **Initial Purchasers** | means the persons who are named in "*Plan of Distribution*" of this Offering Circular; |
| **Issuer** | means Glencore Funding LLC, a company incorporated in Delaware and a wholly owned subsidiary of the Company; |
| **Johannesburg Stock Exchange** or **JSE** | means the Johannesburg Stock Exchange; |
| **JORC Code** | means the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; |
| **Katanga** | means Katanga Mining Limited; |
| **Kazzinc** | means Kazzinc LLP; |
| **KCC** | means Kamoto Copper Company SARL, the main operating company of Katanga; |
| **Koz** | means thousand ounces; |
| **Kt** | means kilotonnes; |
| **Listing Rules** | means the rules and regulations made by the FCA, and contained in the FCA's publication of the same name; |
| **LME** | means the London Metals Exchange; |
| **London Stock Exchange** | means London Stock Exchange plc; |
| **Moody's** | means Moody's Investors Service, Inc.; |
| **Mopani** | means Mopani Copper Mines plc; |
| **Mount Isa** | means Mount Isa Mines Limited; |
| **Mutanda** | means Mutanda Ya Mukonkota Mining Sprl; |
| **NI 43-101** | means the Canadian National Instrument 43-101— "Standard Disclosure for Mineral Projects" of the Canadian Securities Administrators; |
| **Noteholders** | means the holders of the Notes, and "Noteholder" means any one of them; |
| **Noteholder's Currency** | means if a Noteholder's financial activities are denominated principally in a currency or currency unit; |
| **Notes** | has the meaning given to that term on the front page of this Offering Circular; |
| **Offering** | means the offer and sale of the Notes; |
| **Official List** | means the official list of the FCA; |

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| **Participants** | means the participating organisations of DTC, a limited purpose trust company that holds securities for the participating organisations; |
| **Paying Agent** | means Deutsche Bank Trust Company Americas; |
| **Purchase Agreement** | means the agreement between the Initial Purchasers and the Issuer in relation to this Offering; |
| **Registrar** | means Deutsche Bank Trust Company Americas; |
| **Regulation S Global Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Regulation S Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Restricted Period** | means through and including the 40th day after the later of the commencement of this Offering and the closing of this Offering; |
| **Rule 144A Global Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **Rule 144A Notes** | has the meaning given to it in "*Book-Entry, Delivery and Form*" of this Offering Circular; |
| **SAMREC** | means the 2016 edition of the South African Code of Reporting of Exploration Results, Mineral Resources and Mineral Reserves; |
| **SEC** | means the U.S. Securities and Exchange Commission; |
| **Securities Act** | means the U.S. Securities Act of 1933, as amended; |
| **SFA** | means the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time; |
| **SHFE** | means Shanghai Futures Exchange; |
| **Standard & Poor's** | means Standard & Poor's Financial Services LLC, a division of S&P Global; |
| **Swiss GAAP** | means Swiss Generally Accepted Accounting Principles; |
| **Swiss Withholding Taxes** | means the Swiss federal withholding tax (*Verrechnungssteuer*) under Swiss tax law; |
| **SX/EW plant** | solvent extraction and electrowinning plants that leach and process the copper oxide ore to produce copper cathodes; |
| **T**, **tonne** or **tonnes** | means 1,000 kilograms; |
| **Transfer Agent** | means Deutsche Bank Trust Company Americas; |
| **Trevali** | means Trevali Mining Corporation; |
| **Trustee** | means, Deutsche Trustee Company Limited; |
| **UK** or **United Kingdom** | means the United Kingdom of Great Britain and Northern Ireland; |
| **UK Companies Act** | means the UK Companies Act 2006, as amended from time to time; |

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| **UK Corporate Governance Code** | means the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time-to-time; |
| **U.S.** or **United States** or **United States of America** | means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; |
| **VaR** | means Value at Risk; |
| **Viterra** | means Viterra Ltd (previously known as Glencore Agriculture Limited), an entity in which the Group has a 49.9 per cent. interest; |
| **Volcan** | means Volcan Compania Minera S.A.A.; and |
| **Xstrata** | means Xstrata Limited (previously known as Xstrata plc) and its subsidiaries and any subsidiary thereof as at 2 May 2013. |