



**Payments to
Governments Report
2019**

About Glencore

We are one of the world's largest natural resource companies. We fulfil our purpose through our strategy to be active at multiple stages of the commodity supply chain. Our diversity by geography, product and activity, maximises the value we create for our business and its diverse stakeholders.

We have around 150 mining and metallurgical sites and oil production assets in 35 countries and employ 160,000 people. We recognise that our business activities make a significant contribution to the national and local economies in which we operate. We believe that our presence can deliver long-term, sustainable benefits to our host countries.

Our culture

We fulfil our purpose and deliver on our strategy in a manner that reflects our values of safety, integrity, responsibility, openness, simplicity and entrepreneurialism. Only by actively living and breathing these values are we able to ensure our culture is conducive to fulfilling our purpose and delivering on our strategy.

Our purpose

Glencore's purpose is to source responsibly the commodities that advance everyday life. We do so through our strategy of sustainably growing total shareholder returns while maintaining a strong investment grade rating and acting as a responsible operator.

Our values

Our values reflect our purpose, our priorities and the beliefs by which we conduct ourselves and carry out our business activities. They define what it means to work at Glencore, regardless of location or role. They are the fundamental basis of our sustainability management system along with our Code of Conduct and our Group policies.



Safety

We never compromise on safety. We look out for one another and stop work if it's not safe



Integrity

We have the courage to do what's right, even when it's hard. We do what we say and treat each other fairly and with respect



Responsibility

We take responsibility for our actions. We talk and listen to others to understand what they expect from us. We work to improve our commercial, social and environmental performance



Openness

We're honest and straightforward when we communicate. We push ourselves to improve by sharing information and encouraging dialogue and feedback



Simplicity

We work efficiently and focus on what's important. We avoid unnecessary complexity and look for simple, pragmatic solutions



Entrepreneurialism

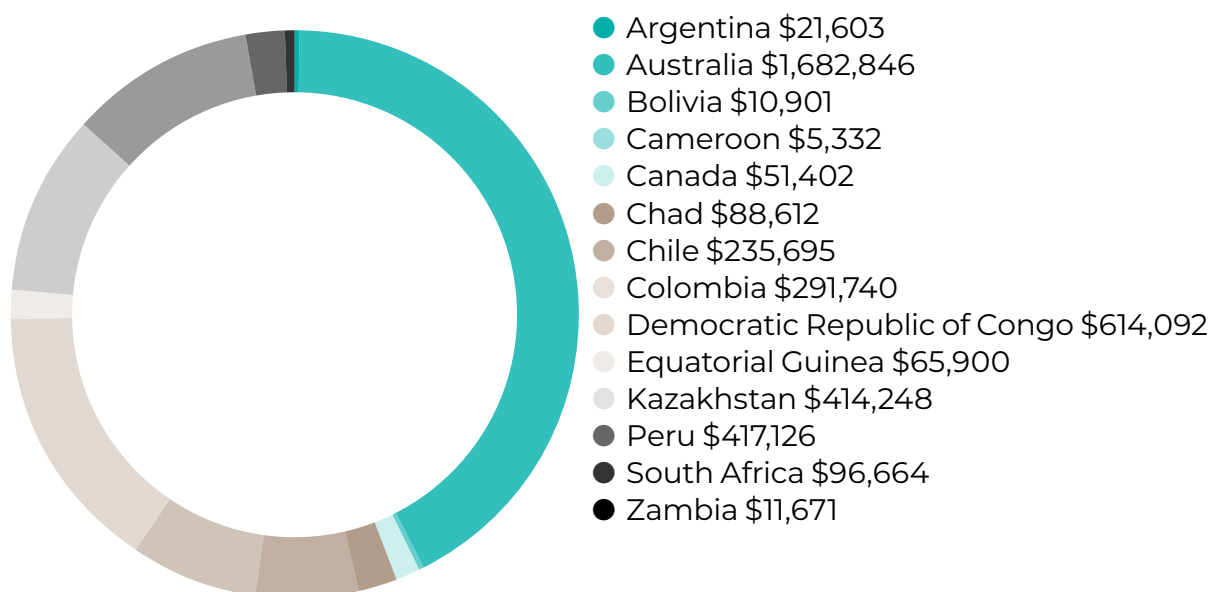
We encourage new ideas and quickly adapt to change. We're always looking for new opportunities to create value and find better and safer ways of working

Contents

Chief Financial Officer's introduction	2
Our approach to tax and transparency	4
Our contribution	8
Our payments to governments	18
Extractive Industries Transparency Initiative	28
Material advances and loans repayable with product	36
About this report	37
Appendix One – Group Tax Policy	38
Appendix Two – Detailed Country Disclosures	40
Glossary	42
Important notice	43
Further information	44

Overview of payments made to governments in 2019, in line with the EU reporting directive

Amounts in US\$ '000



Chief Financial Officer's introduction

During 2019, our total payments to government were around \$7.7 billion.



I am pleased to introduce our fifth Payments to Governments report that aligns with the reporting requirements of Chapter 10 of the EU Accounting Directive.

Glencore is one of the world's largest natural resource companies. We are active at multiple stages of the commodity supply chain, with activities in 35 countries. Through our presence, we are able to deliver significant and sustainable economic benefits to our host governments, employees, suppliers and communities.

The activities of resource companies and the payments we make support governments to realise value from their natural resources. Governments can use the taxes and royalties that we pay to fund public services and infrastructure to improve their nation's quality of life.

We are committed to high standards of corporate governance and transparency and we welcome fiscal

transparency, as it encourages the responsible management of revenues from extractive activities. We have been an active supporter of the Extractive Industries Transparency Initiative (EITI) since 2011. We will continue to promote its principles of transparency and accountability as well as to engage with the EITI at both local and international levels.

During 2019, our total payments to government, including those relating to our ownership interest in the Antamina, Cerrejón and Collahuasi joint ventures, were around \$7.7 billion, of which \$4 billion is reported pursuant to the EU Accounting Directive extractive industries' reporting requirements. This compares to a 2018 total of \$5.7 billion and \$3.7 billion under the EU reporting requirements.

Our reporting on our payments to governments, as well as the disclosure requirements placed on governments by initiatives such as the EITI, leads to increased transparency and

governance. Increasing transparency enables civil society to hold governments to account and supports an improved understanding of our contributions to national economies.

This year's report includes our payments to governments on country-by-country and project-by-project basis, our approach to tax transparency and disclosures relating to the EITI. In this report, we have chosen to expand our disclosures to include:

- A short overview of our contributions and activities in the countries where our payments to government are \$100 million or higher
- Details on the metal and minerals, as well as oil, purchases we made from state-owned enterprises (SOEs) in EITI countries
- Continued disclosure of our large custom and excise payments to government entities and details on the material advances and loans payable

In 2019, we continued our engagement with stakeholders with a particular interest in transparency of payments to governments. We have included in this report a section on key external engagement activities, which include meeting with our investors and civil society groups. These interactions contributed to our assessment on how to improve our disclosures.

Reflecting our commitment towards transparency, we are supporting and encouraging disclosure of mining and exploration contracts with governments. We support contract disclosure as a way to build trust and ensure accountability.

During the course of 2020, we have started the process to disclose our mining and exploration contracts with governments, to the extent that these

are not subject to confidentiality restrictions.

In addition to contract disclosure, we intend to disclose later in the year the beneficial ownership of our operating joint ventures. To support access to this information, we are developing a transparency microsite linked to our corporate website, glencore.com.

We recognise that through our presence we contribute significant, long-term socio-economic value to our operating countries. During 2019, we paid \$5.2 billion in wages and spent \$90 million on initiatives directly supporting local community development, amongst others, health, education, roads and water infrastructure.

As we publish this year's Payments to Governments Report, the world is responding to the COVID-19 pandemic, an unprecedented challenge. In response to the virus, Glencore's top priority is to protect the safety and health of our people and the communities that host our businesses.

To support the efforts of our local operations, we launched a \$25 million Glencore Community Support Fund. The Fund complements existing efforts by our local teams to support their communities with an initial prioritisation of assisting health authorities and community organisations to respond to the immediate impacts of the crisis.

We hope that these efforts will help ease the burden on our host communities as we work together towards a common goal of combatting the impact of the pandemic.

We welcome your feedback on this report and our approach to transparency.



Steve Kalmin
Chief Financial Officer

30 June 2020

Governments

\$7.7 billion

in income taxes, royalties and other payments

Tax

30.5%

Adjusted Effective Tax Rate

Employees

\$5.2 billion

in salaries, wages, social security and other benefits

Infrastructure

\$9.1 million

on public roads, sewage and power networks and water processing and distribution

Communities

\$90 million

on initiatives supporting local community development

Our approach to tax and transparency

We are committed to comply with all applicable tax laws, rules and regulations. We pay all relevant taxes, royalties and other levies in amounts determined by the legislation of relevant national, regional or local governments. We seek to maintain long-term, open, transparent and cooperative relationships with tax authorities in our host countries.

Transparency

We welcome fiscal transparency as it encourages the responsible management of revenues from our activities. We believe that countries that transparently and effectively allocate natural resource wealth for the benefit of their communities have the potential to attract greater, more responsible and longer-term business investment. It is imperative that businesses, governments and civil society work in partnership to support transparency.

Our global reach and presence in a number of higher-risk jurisdictions result in Glencore generally being subject to enhanced complexity and uncertainty in accounting for income taxes, particularly the evaluation of tax exposures and recoverability of deferred tax assets.

Our Board Audit Committee regularly reviews with senior management the potential tax exposures globally and the key estimates taken in determining the positions recorded, including the status of material communications with local tax authorities and the carrying values of deferred tax assets.

We have been an active supporter of the EITI since 2011. We will continue to promote its principles of transparency and accountability as well as to engage with the EITI at both local and international levels.

We look forward to continuing to participate in the EITI's commodity trading working group.

Intra-group transactions

The Glencore group comprises a large number of separate legal entities established in many jurisdictions. Like many multinational enterprises, our business activities are co-ordinated (in terms of personnel, assets and capital) on a worldwide basis.

Our global nature necessitates us allocating overall group profitability between our operating jurisdictions. International tax law and, in particular, the OECD Transfer Pricing Guidelines and Article 9 of the OECD Model Tax Convention governs this allocation. These require that individual entities within the group transact with each other at the same price that they would if they were independent parties and in due recognition of the true value to be accorded to the transaction.

The purpose of this allocation and of the Guidelines is twofold: for the fair division of Group profit to enable the levying of tax according to where it is earned; and to ensure that the same profit is taxed only once.

Our Group tax policies commit us to not engineer structures or transactions that exploit transfer-pricing rules by artificially 'transferring' profit into lower tax jurisdictions. We trace all intragroup transactions to value-adding commercial activities.

Reflecting the complexity of the Group's operations, and the legitimate concern of tax administrations to collect the full amount due to them, our transfer pricing should be subject to careful scrutiny and even occasional dispute.

We approach both scrutiny and dispute in a fair and transparent manner, but we resolutely defend the principle that profit must be taxed only once and that tax administrations are as bound in law by the Transfer Pricing Guidelines as we are.

'Tax havens'

Although there is no universally applied definition of the term 'tax haven', it is generally understood to refer to a jurisdiction that imposes little or no tax on income or profits. In recent years, governments, the media and the public at large have raised legitimate questions in connection with the alleged diversion of business profits by multinational enterprises into tax havens mainly in order to avoid paying local taxes.

We do not undertake any such activity. Both our Group tax policies and our adherence to the OECD Transfer Pricing Guidelines forbid the allocation of profit to jurisdictions that do not provide value-adding activities and do not have any real commercial substance.

Nevertheless, we continue to make use of companies incorporated in what would be termed tax neutral or tax haven jurisdictions. Where that occurs, it is always for a specific purpose and the companies used can be referred to as special purpose vehicles (SPVs). Glencore primarily uses SPVs for two broad purposes:

1. As intermediate holding companies (to hold single investments, groups of similar investments or joint venture investments together for accounting, administrative, governance or legal convenience).
2. As parties to a legal contract with a non-group member where it is necessary that the SPV has no other function.

Our continued use of the SPV is to serve a commercial or administrative purpose, has no tax motivation and is fiscally transparent, ie it generates neither a tax saving nor expense. For this reason, when we need to establish an SPV, it is often in a tax-neutral jurisdiction, as tax in these cases is an irrelevance. Examples in the Group include:

- We run many of our investments in African oil production as local branches of Bermudan-incorporated companies that are themselves owned by Bermudan SPVs. The branches are fully liable to taxation in their host countries and the repatriation of profit is liable to such withholding taxes that may exist. The receipt of dividend income by the holding SPVs is not taxable in Bermuda but nor would it be if they were established in 'non-haven' jurisdictions such as Australia, Switzerland or the United Kingdom. The benefits of such offshore-incorporation derive from reduced Group audit expense and mitigation of country political risk.
- Our interest in the Colombian coal producer Cerrejón, a three-way joint venture between Glencore, BHP Ltd and Anglo American plc, is held through a Bermudian entity that is tax resident in the UK, while our co-shareholders hold their interests through EU holding SPVs. All of them are exempt from dividend taxation, although the two EU-country jurisdictions are not typically considered to be tax haven jurisdictions.

- It is market practice for streaming contracts (where future group production of precious metals is pre-sold to an off-taker) to be performed by a SPV incorporated in a tax neutral jurisdiction. Where this occurs, the Group ensures that any profit or loss arising in respect of the transaction is realised in Switzerland, where the group has its head office and major trading presence, via a total return swap contract between the SPV, which is generally tax resident in Switzerland, and Glencore International AG.

We have undertaken a review of all entities established in 'tax haven' jurisdictions with the intention of consolidating or rationalising as many as possible. Where it is not possible to do this, these entities will usually adopt tax residence in a non-tax haven jurisdiction where the Group can establish enhanced local substance.

As a result of this review, during 2019, we removed from our group structure many tax haven-incorporated companies, or established their tax residence in Switzerland, the UK or another non-tax haven jurisdiction. This review continues to be a focus during 2020.

External engagement

We are committed to transparent and constructive dialogue with all of our stakeholders. We recognise that tax and transparency is an evolving space and that through a broad range of external perspectives we can deliver high standards for corporate governance and disclosure.

Throughout the year, we engage with a variety of organisations.

Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) promotes open and accountable management of extractive resources. In 2019, the EITI published the EITI Standard 2019, setting out the global standard for the good governance of oil, gas and mineral resources.

At a Group level, we participate regularly in EITI conferences and have taken an active role in the EITI's working group to promote transparency in commodity trading, together with other companies, NGOs and SOEs. During 2019, we contributed to the development of new reporting guidelines and templates for companies buying oil, gas and minerals from governments.

At the 2019 EITI Global Conference, our CEO sent a short speech by video, reiterating Glencore's support for the EITI and emphasizing the importance of transparency and disclosure of payments to governments. We also gave a presentation, highlighting that strong corporate governance and transparency are key to building trust as well as a crucial means of contributing to a reduction in corruption.

Within EITI-implementing countries, our local representatives take part in a range of initiatives from

participating in multi-stakeholder meetings, contributing to national reports and engaging in policy consultation processes.

International Council on Mining & Metals

We are active members of the International Council on Mining and Metals (ICMM). The ICMM is an international organisation made up of 27 mining and metals companies and 38 regional and commodities associations. Its members are committed to strengthening the industry's environmental and social performance and enhancing mining's contribution to society.

Through our membership of the ICMM's Mineral Resource and Tax Working Groups, we collaborate with our peers to address natural resource governance challenges and improve the transparency of mineral revenues – including their management, distribution or spending.

Organisation for Economic Cooperation and Development

The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works with governments, policy makers and civil society to develop international standards and to find solutions to a range of social, economic and environmental challenges.

We have been participating in the OECD Policy Dialogue on Commodity Trading Transparency for a number of years, through which we engage in discussions and knowledge sharing with both OECD and non-OECD resource producing countries, as well as with our peers, civil society organisations and think tanks. This platform recognises that a collaborative approach supports the extractive sector being a catalyst for long-term, sustainable development.

In 2019, we made a formal intervention at the 12th Plenary Meeting during the working session on 'Working towards the development of a EITI/OECD Global Reporting Template for companies involved in commodity trading' to share our experiences in developing our approach to transparency and disclosure.

Investors, analysts and banks

Transparency and disclosure are of great interest to our shareholders and representatives of financial institutions. As part of our annual report process, we review and revise our approach to presenting information that is of interest to these stakeholders. During 2019, in addition to meeting our regulatory reporting obligations, our senior management team gave presentations at a number of conferences. We also provide periodic operational, financial and markets update to investors.

Civil Society and Non-Governmental Organisations

We regularly engage with a number of civil society groups and NGOs that have a particular focus on transparency and advancing disclosure. In addition to working with these organisations to understand better the developments in the transparency space, we ask a number of these organisations to provide feedback on our Payments to Government Report.

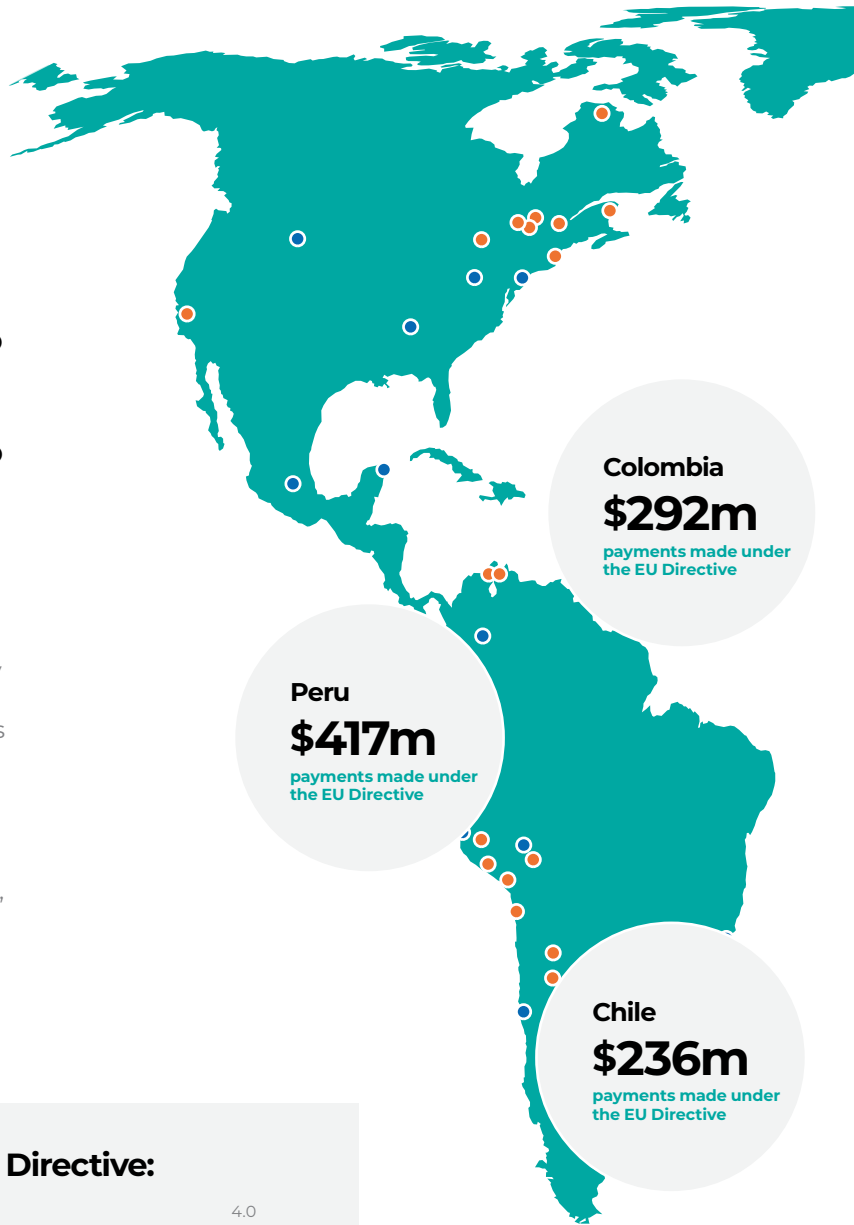


Our contribution

Mining activities can make a significant contribution to the national, regional and local economies in which they operate through the provision of employment and training, tax and royalty payments to governments for essential services, local procurement, social development and environmental stewardship. Our aim is to minimise any negative impacts from our activities and to build partnerships to support sustainable development and growth.

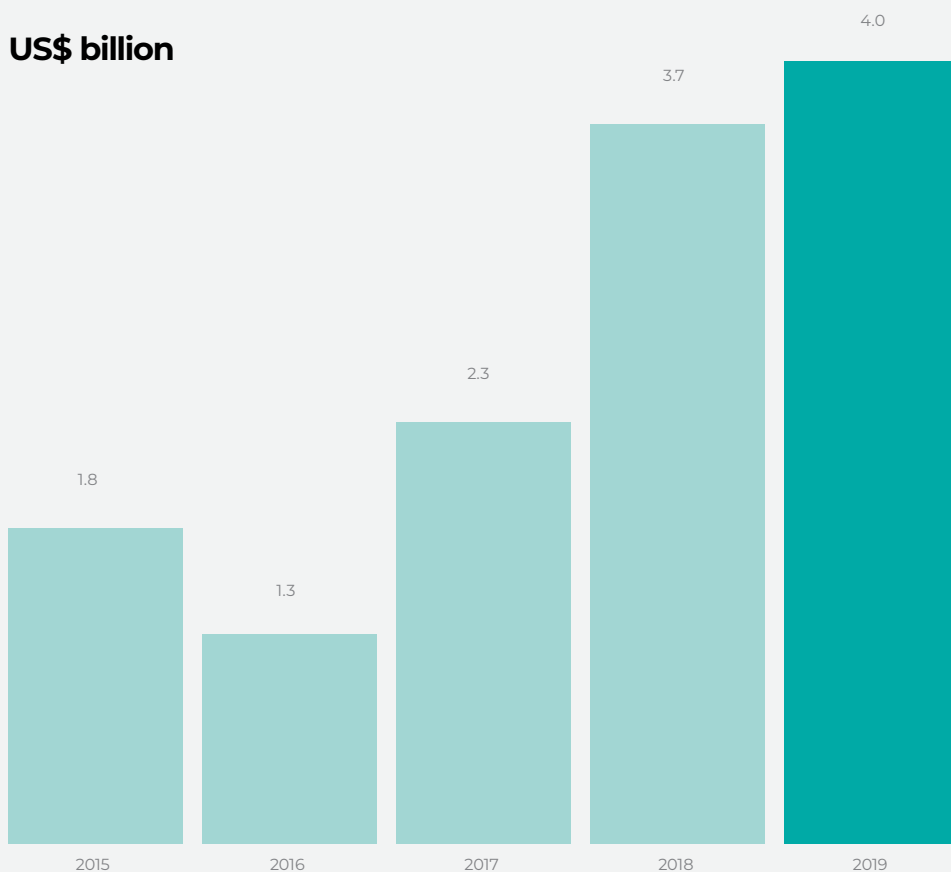
We pay all relevant taxes, royalties and levies required by local and national regulation in our host countries. The payments we make to the governments of the countries in which we operate include local, national, sales and employment taxes, government royalties and licence and permitting fees.

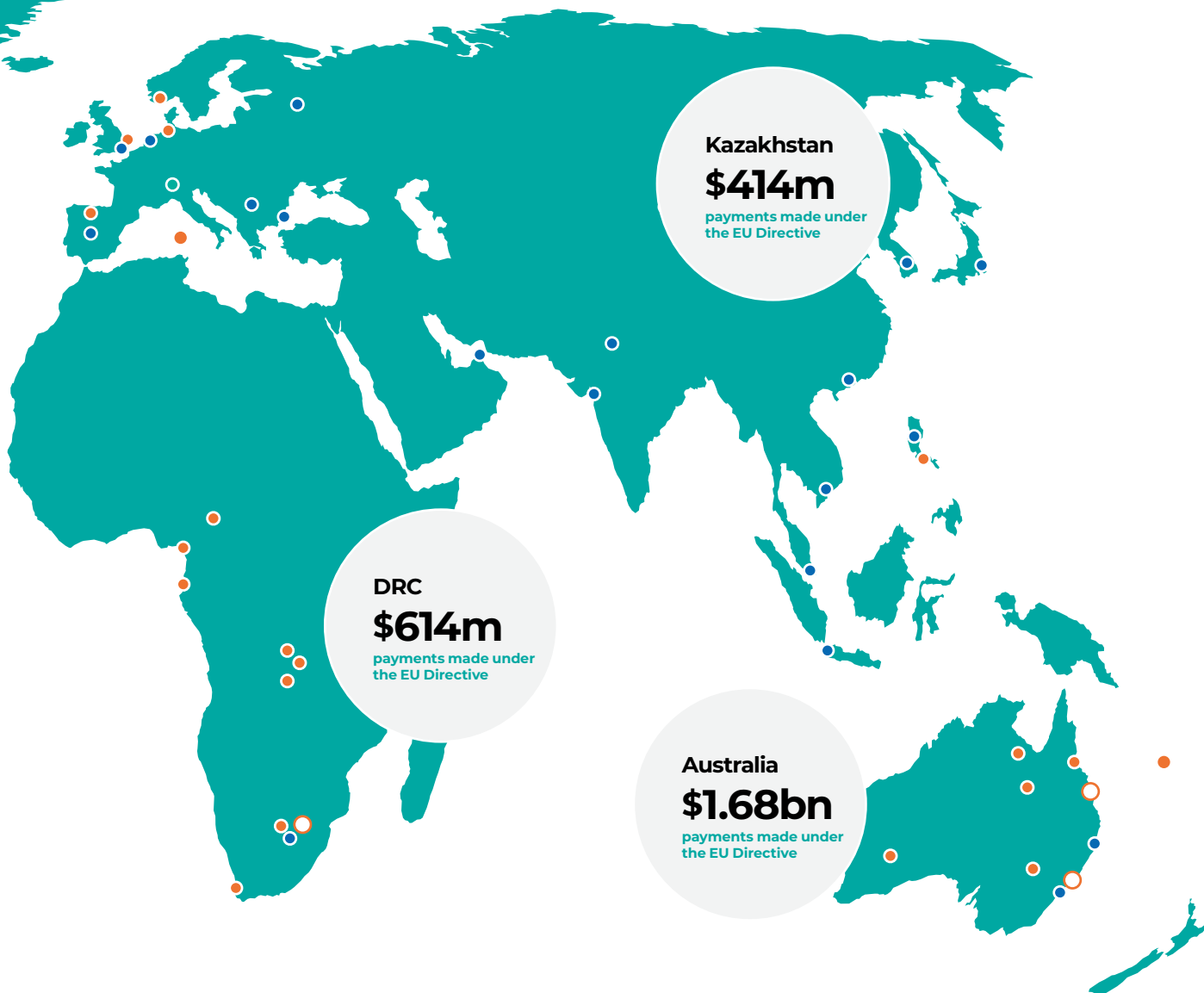
In addition, we contribute to local economies through our use of local suppliers, wages and employee benefits, voluntary support of socio-economic initiatives such as health and education projects and infrastructure development.



Our total payments made under the EU Directive:

US\$ billion





How we contribute:

Local employment and skills development

We prioritise employing people from the regions close to our assets. We provide families with livelihoods via direct employment at our assets and indirect employment via contractors and our use of local suppliers. During 2019, 96% of our workforce was local to our operating countries.

Local procurement and enterprise development

We use local suppliers, that is suppliers located in the same country as the asset, where possible and support the development of local businesses to drive local economic diversification and to help our host governments fulfil their own development objectives.

During the year, 75% of our global procurement spend was with suppliers and contractors located in the countries where we operate. Over 160,000 people benefited from our enterprise development and economic diversification investments.

Societal contribution

Our community development programmes reduce dependency on our assets, encourage self-reliance and contribute to sustainable regional growth. In remote and underdeveloped areas, we install infrastructure, such as roads, water, sanitation and electricity, which is often shared as appropriate with local communities. In 2019, we spent \$90 million on programmes supporting local community development, including about \$12 million on enterprise development and economic diversification of local entrepreneurs.

Payments to governments and tax transparency

We pay all relevant taxes, royalties and other levies in amounts determined by the legislation of relevant national, regional or local governments. We welcome transparency in the redistribution and reinvestment of these payments. During the year, our payments to governments totalled US\$7.7 billion, reflecting the taxes, royalties and duties we pay in our operating countries for our marketing and industrial activities.

Contributing to the economy of Australia

We have operated in Australia for over 20 years and hold significant interests in a range of commodity industries across all mainland states and the Northern Territory.

Headquartered in Sydney, we are a major Australian employer, with about 16,500 people working across industries that include coal, copper, nickel, oil and zinc.

Within many of our Australian operations, we explore and source the commodity; produce it; process and refine it; market and blend it; and ultimately handle, store and transport it to our customers around the world.

Encouraging Indigenous employment

Indigenous people are currently under-represented in Australia's workforce, including in the resource sector. We are supporting an increase in the participation of Indigenous Australians in our business and fostering a long-term relationship with our local Indigenous populations.

Our coal, copper and zinc assets have established programmes to support a structured pathway to skilled, long-term employment in the mining industry for Indigenous People while providing culturally-appropriate support.

We also work with the Queensland Resource Council and Queensland government to increase Indigenous participating in the state's resource sector. The partnership recognises the resource sector is uniquely placed to make a significant socio-economic contribution to Indigenous communities.

2019 payments to the Australian economy

\$834m
capital expenditure

\$2.9bn
total payments to government

16,500
employees and contractors in 2019

Contributing to the economy of the Democratic Republic of the Congo

We have been present in the Democratic Republic of the Congo (DRC) since 2008. Today, we have interests in Mutanda Mining SARL (Mumi) and Katanga Mining Limited (Katanga). Our presence has contributed to the establishment and expansion of a robust extractive sector, created thousands of jobs, supported the development of the local economy and delivered socio-economic benefits to the Katanga region.

Reflecting our commitment to the DRC, we have invested over \$7 billion in the development of Mumi and Katanga and our ongoing commitment to improve operating efficiencies. These investments were made on the basis of the 2002 Mining Code, which included various stabilisation provisions that regrettably have not been respected.

Placing Mumi on care and maintenance

In late 2019, we moved operations at Mumi onto temporary care and maintenance for a combination of reasons, including a low cobalt price, a lack of access to economic ore and increased taxation and operating costs. During care and maintenance, we stop production and manage the site to ensure it remains in a safe and stable condition.

During the care and maintenance period, we have committed to making no forced redundancies for around 3,200 national employees. We are running skills development training programmes for the retained national workforce.

In the ten years following Mumi's operations starting in 2008, Glencore has spent \$25 million on projects that support the socio-economic development of the communities living around its site. Going forward, we will continue to contribute \$2.5 million each year on health, drinking water and education initiatives as well as other community projects.

2019 Payments to the DRC economy

\$491m
capital expenditure

\$843m
total payments to government

14,600
employees and contractors in 2019

Contributing to the economy of Chile

In Chile, we operate the Altonorte smelter and Lomas Bayas copper mine and hold a 44% interest in Collahuasi, an independently-managed joint venture copper mine.

Our Altonorte smelter takes copper concentrates from our South American assets, as well as third party volumes for smelting into copper anodes.

Our Lomas Bayas open-pit copper mine is located in northern Chile. The operation produces copper cathode on site.

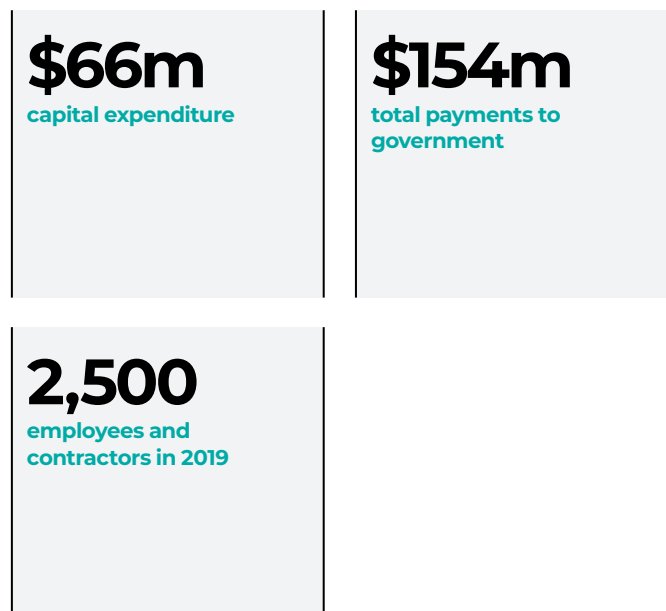
Reducing usage of a shared resource

Our Lomas Bayas copper operation in Chile is located in the Atacama Desert, one of the driest deserts in the world. Lomas Bayas engages with its local community on water use and senior management regularly meet with local stakeholders including representatives of the communities and farmers living and operating in the river catchment area.

Lomas Bayas has a technical collaboration with a research centre associated with two local universities. Through this partnership, Lomas Bayas was able to find ways of measuring the evaporation rate of water from leaching areas exposed to the external environment. The team also tested different methods of covering these pools of water to minimise the evaporation. The testing led to the installation of covers and a closed recycling system present that produces no liquid waste.

One of the most significant impact of this initiative is to improve the air quality for employees and local communities as Lomas Bayas uses the water for dust abatement on roads.

2019 Payments to the Chilean economy*



* excludes economic contributions made relating to Glencore's proportionate ownership interest in the Collahuasi joint venture

Contributing to the economy of Colombia

In Colombia, we wholly own Prodeco, a mining group that produces and ships high-grade Colombian coal for export. Prodeco's assets include:

- The Calenturitas and La Jagua open-pit mines in Cesar province
- The port of Puerto Nuevo, where we have a world-class coal loading facility
- A 39.76% stake in Fenoco, the owner of the rail concession that links our mines to the port.

We also have a one-third stake in the independently-managed Cerrejón coal joint venture.

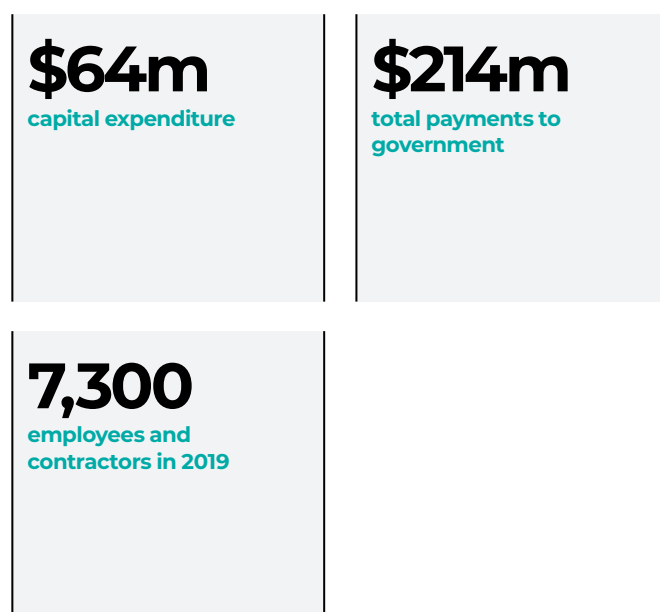
Supporting farmers to become sustainable businesses

In Colombia, our Prodeco coal operation has a cooperation agreement with Corporación Vital and Compass Group, the food service administrators at its mining operations. The agreement has established a supply chain for the mines' cafeterias and strengthened local agricultural production.

During the agreement's first year, local farmers supplied 300 tonnes of food, with 39 different products, to the mines' cafeterias. This equalled a value of more than 550 million pesos. Over 350 local producers benefited from training programmes to strengthen agricultural activities, improve access to markets and achieve fair market prices.

The programme also implemented 'Farmer's Markets: from the farm to the table', which supports local producers selling their products directly to neighbouring communities. During markets in the municipalities near Prodeco's operations, over 40 local producers sell products, such as eggs, raw cane sugar, coffee, cheese, vegetables and honey.

2019 Payments to the Colombian economy*



* excludes economic contributions made relating to Glencore's proportionate ownership interest in the Cerrejón joint venture

Contributing to the economy of Kazakhstan

Our presence in Kazakhstan is through Kazzinc, a major fully integrated zinc producer that also mines copper, precious metals and lead. The company's core operations are mostly in the East-Kazakhstan region, employing over 27,400 people and working with 900 Kazakhstan-based enterprises that together employ over 80,000 people.

Kazzinc's precious metals refinery is certified to produce London Bullion Market Association (LBMA) certified gold and silver. This certification promotes refining standards, trading documentation and the development of good trading practices.

Supporting a local business to improve regional biodiversity

During 2019, Kazzinc entered into a partnership with Kazakhstan's Research Center of Fishery to research the region's fish resources. The research investigated the impacts on fish resources from the Bukhtarma Hydroelectric Power Plant, from which Kazzinc receives much of its power.

The research looked at the biodiversity of the reservoir and the actions needed to restore natural resources and support flora and fauna to flourish. It concluded that there was a need to replenish fish stocks regularly.

Kazzinc signed an agreement with the Bukhtarma Fish Hatchery Ltd for fry raising. In 2019, Kazzinc released 900,000 juvenile common carp into the Bukhtarma reservoir.

2019 Payments to the Kazakhstan economy

\$445m
capital expenditure

\$495m
total payments to government

27,400
employees and contractors in 2019

Contributing to the economy of Peru

Our Peruvian assets include:

- The Antapaccay copper operation located in the Cusco region of southern Peru
- An interest in Volcan Compañía Minera SAA, which has six operating mines and one oxides operation in Peru's Central Highlands
- A 97.6% interest in Los Quenuales, which operates the Iscaycruz and Yauliyacu zinc-lead mines and concentrator plants located in the Central Highlands of Peru
- A 33.75% stake in the independently-managed Antamina joint venture, which owns a copper-zinc mine located in the Andes in northern Peru
- Perubar SA is based in Callao region. It provides storage services, loads mineral concentrates, manages and rents warehouses at Peru's largest and most important port.

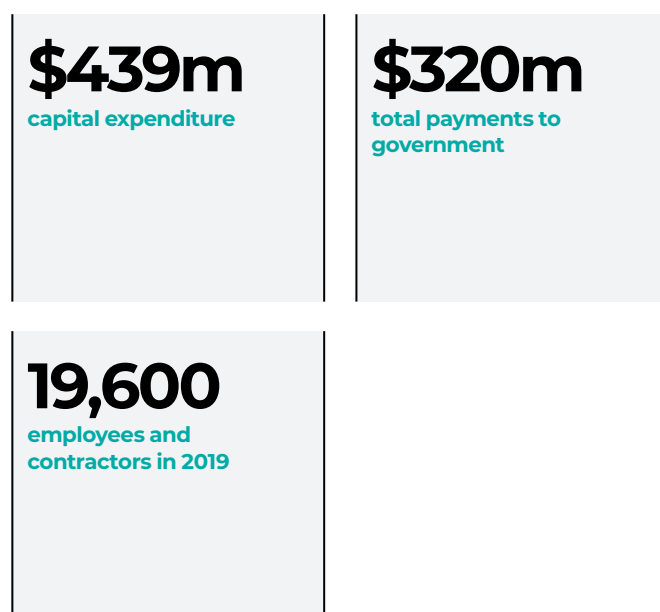
Improving the availability of water

The communities surrounding our Antapaccay copper operation in Peru lack the water infrastructure required to support agriculture and livestock activities, causing low agricultural productivity.

Antapaccay has initiated a project to benefit rural communities through installing an irrigation system for managing water for agricultural purposes as well as constructing a reservoir to collect and distribute rainwater. Antapaccay is also investigating opportunities to train local people on irrigation systems and water management.

The construction stage will support job opportunities for local labour and, once constructed, maintenance activities will sustain local employment. Greater agricultural production will increase local incomes leading to improved living conditions.

2019 Payments to the Peruvian economy*



* excludes economic contributions made relating to Glencore's proportionate ownership interest in the Antamina joint venture

Contributing to the economy of South Africa

Glencore has been present in South Africa since 1974. Today, our ferroalloys and coal commodity businesses have assets in three provinces (Mpumalanga, Limpopo and North West). Our South African coal assets include four complexes that produce thermal coal for export and domestic power generation.

Through our 79.5% stake in the Glencore-Merafe Chrome Venture, we have interests in five chrome and one silica mines and five ferroalloys smelter complexes. We also have, through our majority shareholding stake in the Rhovan-Bakwena Vanadium Venture an open-cast mine and smelter complex, which mainly produces ferrovandium and vanadium pentoxide.

In 2019, we acquired Astron Energy, a leading supplier of petroleum products in South Africa and the operator of a crude oil refinery in Cape Town and a lubricants manufacturing plant in Durban.

In the past ten years, we have invested \$7.2 billion to acquire and develop our assets. This investment has included establishment and development of the Goedgevonden coal complex, Wonderfontein Mine, and expanding capacity and improving operational efficiencies at the iMpunzi and Tweefontein coal complexes, Lion ferrochrome smelter and Magareng chrome mine.

Providing access to the internet

In South Africa, Glencore Coal rolled out a free Wi-Fi initiative to a number of communities in the Mpumalanga province. The initiative includes 15 hotspots that allow access for up to 250 users with each user receiving 500Mb per day. The majority of the users are between 18 and 34 years of age and are either students or unemployed people seeking work. The initiative addresses a number of the community-identified concerns, including local procurement through facilitating access to Glencore Coal's enterprise and supplier development portal, local employment through promoting online job opportunities and improving public health through making information on health programmes more readily available.

In the Mpumalanga province, our Lydenburg Smelter worked in partnership with the Department of Public Works and Ehlanzeni College to expand the College's footprint to Mashishing. The new Vocational Education and Training College has already transformed the skills and career prospects of young people across the district. It offers easy, affordable access to tertiary education for parents who cannot afford to send their children to study outside Mashishing. The college also provides skills required by local industries, ensuring graduates have relevant qualifications and stand a good chance of finding jobs or opportunities to start small businesses.

2019 payments to the South African economy

\$377m
capital expenditure

\$1.3bn
total payments to government

19,400
employees and contractors in 2019

GLENCORE



Our payments to governments¹

The information below has been prepared in the manner outlined in the About this report section on page 37

Economic contribution

Amounts in US\$ '000 Country	Production Entitlements	Taxes on Income ²	Royalties	Fees	Infrastructure improvements
Argentina	-	19,631	1,972	-	-
Australia	-	899,404	751,739	28,390	3,313
Bolivia	-	1,805	9,096	-	-
Cameroon	5,182	-	-	150	-
Canada	-	49,903	-	1,499	-
Chad	39,971	-	46,841	1,800	-
Chile	-	234,584	-	1,112	-
Colombia	-	116,852	172,703	2,185	-
Democratic Republic of Congo	-	357,180	147,626	130	109,156
Equatorial Guinea	34,471	10,573	20,610	246	-
Kazakhstan	-	235,693	178,555	-	-
Peru	-	345,970	64,815	6,341	-
South Africa	-	73,650	23,013	-	-
Tanzania	-	-	-	-	-
Zambia	-	-	11,453	218	-
Rest of the World	-	-	-	-	-
Total at 31 December 2019	79,624	2,345,246	1,428,424	42,071	112,470

¹ The reports are not corrected for rounding.

² Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Cerrejón, Antamina and Collahuasi) amounting to a total of \$544 million.

³ Taxes and duties paid relating to non-extractive activities are considered without payroll tax. Other taxes include: wealth tax, stamp duties, transfer tax, environmental tax and other taxes according to local law.

⁴ Payments not included in the 2019 Sustainability Report are primarily payments relating to Glencore's proportionate ownership interest in certain joint ventures noted above. These were necessarily not part of the scope of the 2019 Sustainability Report, which aligns itself with the Group's statutory financial reporting.

⁵ Payroll taxes include payments made by the employer only; payments made by employees amounted to a total of \$1,095 million.

Total EU Transparency Directive	Customs/Import/ Excise/Export tax and duties	Payroll taxes ⁵	Taxes and duties relating to non-extractive activities plus other taxes ³	Payments not included in Sustainability Report ⁴	Total
21,603	6,808	7,698	8,807	-	44,916
1,682,846	466,921	176,952	595,262	-	2,921,981
10,901	706	6,531	6,383	-	24,521
5,332	-	19	58	(5,332)	77
51,402	-	40,932	184,771	-	277,105
88,612	1,884	377	4,926	(41,771)	54,027
235,695	-	3,753	129,034	(214,233)	154,249
291,740	334	3,052	84,793	(165,506)	214,412
614,092	152,772	55,281	21,262	-	843,407
65,900	116	229	1,122	(34,717)	32,649
414,248	4,346	43,331	32,723	-	494,649
417,126	74	24,191	103,723	(225,324)	319,790
96,664	-	7,266	1,182,690	-	1,286,619
-	-	81	297	-	378
11,671	10,859	3,473	44,722	-	70,725
-	-	176,433	757,861	-	934,294
4,007,832	644,820	549,596	3,158,434	(686,883)	7,673,799

Payments by government

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Argentina						
National - Administración Federal de Ingresos Públicos (AFIP)	-	19,631	-	-	-	19,631
Regional - Catamarca - Secretaría de Minería	-	-	772	-	-	772
Regional - Jujuy Province - Secretaría de Minería	-	-	1,200	-	-	1,200
	-	19,631	1,972	-	-	21,603
Australia						
National - Australian Taxation Office (ATO)	-	899,404	-	-	-	899,404
Local - Central Highlands Regional Council	-	-	-	-	3,313	3,313
Regional - New South Wales - Office of State Revenue	-	-	363,407	8,537	-	371,944
Regional - Northern Territory - Territory Revenue Office	-	-	-	3,507	-	3,507
Regional - Queensland - Office of State Revenue	-	-	373,099	12,032	-	385,131
Regional - Western Australia - Office of State Revenue	-	-	15,232	4,314	-	19,547
	-	899,404	751,739	28,390	3,313	1,682,846
Bolivia						
National - Servicio de Impuestos Nacionales (SIN)	-	1,805	-	-	-	1,805
Regional - Oruro - Gobierno Departamental de Oruro	-	-	2,748	-	-	2,748
Regional - Potosí - Gobierno Departamental de Potosí	-	-	6,348	-	-	6,348
	-	1,805	9,096	-	-	10,901
Cameroon						
National Hydrocarbons Corporation	5,182 ¹	-	-	150	-	5,332
	5,182	-	-	150	-	5,332
Canada						
National - Canada Revenue Agency - Receiver General for Canada	-	18,224	-	-	-	18,224
Regional - British Columbia - Ministry of Finance	-	-	-	998	-	998
Regional - Ontario - Ministry of Finance	-	9,943	-	103	-	10,046
Regional - Quebec - Ministry of Finance	-	21,736	-	398	-	22,134
	-	49,903	-	1,499	-	51,402

¹ Comprises of production entitlement of 82k bbls lifted at Government Sales Price ("GSP"). Production entitlement which is paid in kind, includes all streams of production payments to the state and state NOC for volumes lifted. Under the production sharing contract, production entitlement is calculated on a production volume basis. However, payments are tied to lifted volumes.

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income ¹ 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Chad						
National - Ministry of Petroleum and Energy	39,971 ²	-	46,841 ³	-	-	86,812
National - Public Treasury	-	-	-	1,800	-	1,800
	39,971	-	46,841	1,800	-	88,612
Chile						
National - Tesorería General de la República - Servicios de Impuestos Internos (SII)	-	234,584	-	-	-	234,584
National - Tesorería General de la República (TGR)	-	-	-	550	-	550
Local - Sierra Gorda - Municipalidad	-	-	-	562	-	562
	-	234,584	-	1,112	-	235,695
Colombia						
National - Agencia Nacional de Minería (ANM)	-	-	172,703	1,750	-	174,453
National - Autoridad Nacional de Licencias Ambientales (ANLA)	-	-	-	379	-	379
National - Dirección de Impuestos y Aduanas Nacionales (DIAN)	-	116,852	-	-	-	116,852
Regional Cesar - Corporación Autónoma Regional del Cesar	-	-	-	56	-	56
	-	116,852	172,703	2,185	-	291,740

1 Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Cerrejón, Antamina and Collahuasi) amounting to a total of \$544 million.

2 Comprises of production entitlement of 652k bbls lifted at market price. Production entitlement, which is paid in kind, includes all streams of production payments to the state and state NOC for volumes lifted, excluding royalties. Under the respective production sharing contracts, production entitlements and royalties are calculated on a produced volume basis. However, since payments are tied to lifted volumes, the split of total lifted volumes between lifted production entitlements and lifted royalties has been approximated.

3 Comprises of royalties of 764k bbls lifted at market price. Royalties represent a percentage of production paid in kind to the government of Chad. Under the respective production sharing contracts, production entitlements and royalties are calculated on a produced volume basis. However, since payments are tied to lifted volumes, the split of total lifted volumes between lifted production entitlements and lifted royalties has been approximated.

Our payments to governments continued

Payments by government continued

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income ¹ 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Democratic Republic of Congo						
National - Direction Générale des impôts (DGI)	-	357,180	-	-	-	357,180
National - Direction Générale des Recettes Administratives, Judiciaires, Domaniales et de Participation (DGRAD)	-	-	85,432	130	-	85,562
National - Société Nationale d'Électricité (SNEL)	-	-	-	-	73,951	73,951
Regional - Direction des Recettes du Haut-Katanga (DRHKAT)	-	-	-	-	5,940	5,940
Regional - Direction des Recettes du Lualaba (DRLU)	-	-	38,507	-	29,265	67,772
Local - Dilala	-	-	8,748	-	-	8,748
Local - Luilu Sector	-	-	14,940	-	-	14,940
	-	357,180	147,626	130	109,156	614,092
Equatorial Guinea						
National - Ministry of Mines and Hydrocarbons	-	-	-	246	-	246
National - Public Treasury	-	10,573	-	-	-	10,573
National - GEPetrol	34,471 ²	-	20,610 ³	-	-	55,081
	34,471	10,573	20,610	246	-	65,900
Kazakhstan						
Kazakhstan - Local - Republican State Entity of the State Revenue Authority of Ust-Kamenogorsk City	-	235,693	178,555	-	-	414,248
	-	235,693	178,555	-	-	414,248
Peru						
National - Instituto Geológico Minero y Metalúrgico (INGEMMET)	-	-	-	3,294	-	3,294
National - Organismo de Evaluación y Fiscalización Ambiental (OEFA)	-	-	-	1,366	-	1,366
National - Organismo Supervisor de la Inversión en Energía y Minería (OSINERGMIN)	-	-	-	1,681	-	1,681
National - Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT)	-	345,970	64,815	-	-	410,785
	-	345,970	64,815	6,341	-	417,126

¹ Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Cerrejón, Antamina and Collahuasi) amounting to a total of \$544 million.

² Comprises of production entitlement of 534k bbls lifted at market price. Production entitlement, which is paid in kind, includes all streams of production payments to the state and state NOC for volumes lifted, excluding royalties. Under the respective production sharing contracts, production entitlements and royalties are calculated on a produced volume basis. However, since payments are tied to lifted volumes, the split of total lifted volumes between lifted production entitlements and lifted royalties has been approximated.

³ Comprises of royalties of 320k bbls lifted at market price. Royalties represent a percentage of production paid in kind to the government of Equatorial Guinea. Under the respective production sharing contracts, production entitlements and royalties are calculated on a produced volume basis. However, since payments are tied to lifted volumes, the split of total lifted volumes between lifted production and lifted royalties has been approximated.

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
South Africa						
National - South African Revenue Service (SARS)	-	73,650	23,013	-	-	96,664
	-	73,650	23,013	-	-	96,664
Zambia						
National - Zambia Revenue Authority (ZRA)	-	-	11,453	-	-	11,453
Local - Mufulira Municipal Council	-	-	-	218	-	218
	-	-	11,453	218	-	11,671
Total	79,624	2,345,246	1,428,424	42,071	112,470	4,007,832

Payments by project

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Argentina						
Catamarca Province Project - Minera Alumbraera	-	14,834	772	-	-	15,606
Jujuy Province Project - Minera Aguilar / AR Zinc	-	4,797	1,200	-	-	5,997
	-	19,631	1,972	-	-	21,603
Australia						
Entity level	-	891,179	-	-	-	891,179
New South Wales Project - Cobar Copper	-	-	5,917	246	-	6,163
New South Wales Project - Thermal Coal	-	8,225	357,491	8,290	-	374,006
Northern Territory Project - McArthur River Zinc ¹	-	-	-	3,507	-	3,507
Queensland Project - Coking Coal	-	-	202,948	2,627	-	205,575
Queensland Project - Ernest Henry Mine Copper	-	-	22,253	571	-	22,824
Queensland Project - Mount Isa Mines Copper	-	-	24,542	2,024	-	26,566
Queensland Project - Mount Isa Mines Zinc	-	-	36,497	2,024	-	38,521
Queensland Project - Thermal Coal	-	-	86,859	4,786	3,313	94,958
Western Australian Project - Murrin Murrin Nickel	-	-	15,232	4,314	-	19,547
	-	899,404	751,739	28,389	3,313	1,682,845
Bolivia						
La Paz Project - Minera Illapa	-	1,597	-	-	-	1,597
Oruro Project - Minera Illapa	-	62	2,748	-	-	2,810
Potosi Project - Minera Illapa	-	70	2,523	-	-	2,593
Potosi Project - Sinchi Wayra	-	76	3,825	-	-	3,900
	-	1,805	9,096	-	-	10,901
Cameroon						
Bolongo Project	5,182	-	-	150	-	5,332
	5,182	-	-	150	-	5,332
Canada						
British Columbia Project - Coking Coal	-	-	-	998	-	998
National Project - Corporate	-	18,224	-	-	-	18,224
Ontario Project - Kidd	-	4,275	-	-	-	4,275
Ontario Project - Sudbury	-	5,668	-	-	-	5,668
Ontario Project - various exploration projects	-	-	-	103	-	103
Quebec Project - Matagami	-	2,392	-	-	-	2,392
Quebec Project - Raglan	-	19,344	-	262	-	19,606
Quebec Project - various exploration projects	-	-	-	136	-	136
	-	49,903	-	1,499	-	51,402

¹ In 2019, McArthur River Mine's royalty return was calculated in accordance with the relevant Northern Territory legislation, a profits-based system that included a capital recognition deduction. The Northern Territory Government has subsequently amended the system to include an ad valorem component.

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income ¹ 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Chad						
Badila Field Project	24,695	-	29,009	375	-	54,079
DOB/DOI	-	-	-	188	-	188
Doseo / Borogop Project	-	-	-	112	-	112
Kibea EXA	-	-	-	375	-	375
Krim EXA	137	-	136	375	-	648
Mangara Field Project	15,139	-	17,696	375	-	33,210
	39,971	-	46,841	1,800	-	88,612
Chile						
Collahuasi Project - Minera Collahuasi	-	214,233	-	-	-	214,233
II Region Antofagasta Project - Minera Lomas Bayas	-	20,351	-	1,112	-	21,462
	-	234,584	-	1,112	-	235,695
Colombia						
Correjón Project - Carbones de Correjón	-	107,763	57,743	-	-	165,506
Cesar Department Project - Prodeco	-	9,088	114,960	2,185	-	126,233
	-	116,851	172,703	2,185	-	291,739
Democratic Republic of Congo						
DRC Copperbelt Region Project - Katanga	-	28,401	51,617	-	60,424	140,442
DRC Copperbelt Region Project - Mutanda	-	328,779	96,009	130	48,732	473,650
	-	357,180	147,626	130	109,156	614,092
Equatorial Guinea						
Block I - Aseng Project	18,343	10,569	13,048	112	-	42,072
Block O - Alen Project	16,128	4	7,562	134	-	23,828
	34,471	10,573	20,610	246	-	65,900
Kazakhstan						
Kazakhstan Project - Kazzinc	-	235,693	178,555	-	-	414,248
	-	235,693	178,555	-	-	414,248

¹ Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Correjón, Antamina and Collahuasi) amounting to a total of \$544 million.

Our payments to governments continued

Payments by project continued

Amounts in US\$ '000	Production Entitlements	Taxes on Income ¹	Royalties	Fees	Infrastructure improvements	Total
	2019	2019	2019	2019	2019	2019
Peru						
Ancash Project - Minera Los Quenuales	-	-	241	66	-	307
Animon Project - Minera Chungar	-	8,936	3,435	268	-	12,639
Antamina Project - Minera Antamina	-	201,605	23,719	-	-	225,324
Cusco Project - Minera Antapaccay	-	121,486	31,688	4,361	-	157,535
Huaral Project - Generación Eléctrica Río Baños	-	8	-	-	-	8
Huaral Project - Hidroeléctrica Tingo	-	248	-	-	-	248
Huachochiri Project - Hidroeléctrica Huanchor	-	317	-	1	-	318
Huachochiri Project - Minera Los Quenuales	-	-	660	539	-	1,199
Junin Project - Minera Vichaycocha	-	1	-	301	-	302
Lima Project - Limitada Huacho	-	8	-	-	-	8
Oyon Project - Minera Los Quenuales	-	-	1	232	-	233
Pasco Project - Empresa Administradora Cerro Toruna	-	391	416	56	-	863
Pasco Project - Minera Aurífera Toruna	-	-	-	5	-	5
Pasco Project - Minera Paragsha	-	-	-	139	-	139
Pasco Project - Minera San Sebastian	-	1	-	2	-	3
Pasco Project - Óxidos de Pasco	-	515	-	3	-	518
Vinchos Project - EE-Vinchos Ltda.	-	2	-	18	-	20
Yauli Project - Volcan Cia Minera SAA	-	12,452	4,655	350	-	17,457
	-	345,970	64,815	6,341	-	417,126
South Africa						
Mpumalanga Province Project - Ferroalloys Assets	-	33,430	1,282	-	-	34,712
Mpumalanga Province Project - Thermal Coal	-	11,436	11,301	-	-	22,737
North West Province Project - Ferroalloys Assets	-	28,784	10,430	-	-	39,214
	-	73,650	23,013	-	-	96,664
Zambia						
Copperbelt Region Project - Mopani	-	-	11,453	218	-	11,671
	-	-	11,453	218	-	11,671
Total	79,624	2,345,245	1,428,424	42,069	112,470	4,007,830

¹ Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Cerrejón, Antamina and Collahuasi) amounting to a total of \$544 million.

Payments by region and commodity

Amounts in US\$ '000	Production Entitlements 2019	Taxes on Income ¹ 2019	Royalties 2019	Fees 2019	Infrastructure improvements 2019	Total 2019
Coal Assets						
Australian Coking Coal	-	-	202,948	2,627	-	205,575
Australian Thermal Coal	-	8,225	444,350	13,076	3,313	468,964
Colombia: Cerrejón	-	107,763	57,743	-	-	165,506
Colombia: Prodeco	-	9,088	114,960	2,185	-	126,233
North America Coking Coal	-	-	-	998	-	998
South African Thermal Coal	-	11,436	11,301	-	-	22,737
	-	136,513	831,302	18,885	3,313	990,013
Copper Assets						
Africa: Katanga, Mutanda, Mopani	-	357,180	159,079	348	109,156	625,763
Australia: Mount Isa, Ernest Henry, Cobar	-	-	52,712	2,841	-	55,553
South America: Alumbrera, Lomas Bayas, Antapaccay	-	156,671	32,460	5,473	-	194,603
South America: Antamina	-	201,605	23,719	-	-	225,324
South America: Collahuasi	-	214,233	-	-	-	214,233
	-	929,689	267,970	8,661	109,156	1,315,476
Corporate & entity level						
Corporate & unallocated	-	18,224	-	136	-	18,360
Entity level	-	891,179	-	-	-	891,179
	-	909,403	-	136	-	909,539
Ferroalloys						
South Africa: Ferroalloys Assets	-	62,214	11,713	-	-	73,926
	-	62,214	11,713	-	-	73,926
Nickel Assets						
Australia: Murrin Murrin	-	-	15,232	4,314	-	19,547
North America: Raglan, Sudbury	-	25,012	-	262	-	25,274
	-	25,012	15,232	4,576	-	44,821
Oil Assets						
Cameroon	5,182	-	-	150	-	5,332
Chad	39,971	-	46,841	1,800	-	88,612
Equatorial Guinea	34,471	10,573	20,610	246	-	65,900
	79,624	10,573	67,451	2,196	-	159,844
Zinc Assets						
Australia: Mount Isa, McArthur River	-	-	36,497	5,531	-	42,028
Kazakhstan: Kazzinc	-	235,693	178,555	-	-	414,248
North America: Matagami, Kidd	-	6,667	-	103	-	6,770
Other Zinc: Argentina, Bolivia, Peru	-	29,481	19,704	1,980	-	51,165
	-	271,841	234,756	7,614	-	514,211
Total	79,624	2,345,245	1,428,424	42,069	112,470	4,007,831

¹ Taxes on income comprise of income taxes paid in Colombia, Peru and Chile relating to Glencore's proportionate ownership interest in joint ventures (Cerrejón, Antamina and Collahuasi) amounting to a total of \$544million.

Extractive Industries Transparency Initiative

We recognise the contribution of EITI's principles of transparency and accountability towards establishing a global standard of good governance for the extractive industry.

From our 2017 Payments to Governments Report onwards, we have disclosed our payments to state-owned enterprises (SOEs) in EITI-implementing countries for purchases of crude oil. We recognise that

the EITI's transparency and accountability principles are relevant not only for oil and gas, but also for minerals.

To further our support for the EITI principles, we are disclosing in this year's report relevant information on the purchases during 2019 of metals and minerals from SOEs in EITI implementing countries, having regard to the EITI's draft reporting guidelines for companies buying oil, gas and minerals from governments.

Oil

Payments for crude oil purchased from state-owned enterprises in EITI countries

To the extent possible, we have provided information detailing the purchases of oil from SOEs in EITI-implementing countries in line with their EITI commitment to more detailed disclosures¹. We believe that the level of detail disclosed furthers the EITI's objective of increased transparency and governance, as well as supporting civil society to hold governments to account.

During 2019, we did not enter into any crude for refined product swap transactions.

Counterparty	Counterparty Country	Load Port	Buying entity
Societe Nationale des Hydrocarbures - SNH	Cameroon	Ebome Terminal	Glencore Energy UK Ltd
Societe Nationale des Hydrocarbures - SNH	Cameroon	Ebome Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Societe des hydrocarbures du Tchad	Chad	Kome Kribi Terminal	Glencore Energy UK Ltd
Nigerian National Petroleum Co	Nigeria	Qua Iboe Terminal	Glencore Energy UK Ltd
Societe Nationale Des Petroles Du Congo	Republic of the Congo	Malongo Terminal	Glencore Energy UK Ltd
Societe Nationale Des Petroles Du Congo	Republic of the Congo	Yombo Terminal	Glencore Energy UK Ltd
Societe Nationale Des Petroles Du Congo	Republic of the Congo	Yombo Terminal	Glencore Energy UK Ltd

1. This excludes purchases from counterparts in EITI countries where the EITI requirement 4.2 is not applicable.

Payments for oil purchased from state-owned enterprises in non-EITI countries

We have aggregated this information by volume and value only as these countries have not committed to detailed disclosures.

Volume (000 barrels)	Value (US\$)
194,885	12,544,534,706

Payments for crude oil originating from the Republic of South Sudan

As in 2018, taking the Republic of South Sudan's constitutional framework into account, we are publishing the overall aggregate payments we have made during 2019 for the purchase of RSS origin crude oil. We did not purchase oil directly from an RSS state-owned enterprise.

Volume (000 barrels)	Value (US\$)
6,292.45	375,783,575.55

Volume (000 barrels)	Grade	Incoterm	Bill of Lading Date	Type of Oil
375.62	Ebome CO	FOB	26.Mar.19	Equity Production from NOCs owned domestic fields
382.32	Ebome CO	FOB	26.Jun.19	Equity Production from NOCs owned domestic fields
Aggregated Value (USD):				44,140,161
950.84	Doba	FOB	29.Nov.18	Equity Production from NOCs owned domestic fields
952.04	Doba	FOB	01.Feb.19	Equity Production from NOCs owned domestic fields
949.74	Doba	FOB	09.Mar.19	Equity Production from NOCs owned domestic fields
950.11	Doba	FOB	10.Apr.19	Equity Production from NOCs owned domestic fields
921.92	Doba	FOB	30.May.19	Equity Production from NOCs owned domestic fields
990.85	Doba	FOB	22.Jul.19	Equity Production from NOCs owned domestic fields
953.17	Doba	FOB	27.Aug.19	Equity Production from NOCs owned domestic fields
904.18	Doba	FOB	15.Oct.19	Equity Production from NOCs owned domestic fields
425.42	Doba	FOB	05.Nov.19	Equity Production from NOCs owned domestic fields
525.00	Doba	FOB	05.Nov.19	Equity Production from NOCs owned domestic fields
Aggregated Value (USD):				516,126,646
950.48	Qualboe	FOB	06.Dec.18	Equity Production from NOCs owned domestic fields
Aggregated Value (USD):				58,052,528
948.69	Nemba	FOB	31.Jan.19	Equity Production from NOCs owned domestic fields
523.80	Yombo CO	FOB	25.Feb.19	Equity Production from NOCs owned domestic fields
504.80	Yombo CO	FOB	23.Oct.19	Equity Production from NOCs owned domestic fields
Aggregated Value (USD):				122,488,345

Metals and minerals

Payments for metals and minerals purchased from state-owned enterprises (SOEs) in EITI countries

To the extent possible, we have provided information on purchases of metals and minerals from SOEs or majority state-owned enterprises in EITI countries. During 2019, we did not identify any other purchases of metals and minerals from SOEs in other EITI-implementing countries.

Counter-party Name	Counter-party Country	Load Port	Buying entity	Volume (MT)	Commodity	Incoterm	Bill of Lading Date
PT Bukit Asam Tbk	Indonesia	Tarahan Port, Lampung	Glencore International AG	72,432	Thermal coal	FOB	05.01.2019
PT Bukit Asam Tbk	Indonesia	Tarahan Port, Lampung	Glencore International AG	79,115	Thermal coal	FOB	14.04.2019
PT Bukit Asam Tbk	Indonesia	Tarahan Port, Lampung	Glencore International AG	55,000	Thermal coal	FOB	25.07.2019
Aggregate Value: US\$11,102,082							

Counter-party Name	Counter-party Country	Load Port	Buying entity	Volume (MT)	Commodity	Incoterm	Bill of Lading Date
SNIM	Mauritania	Nouadhibou	Glencore International AG	148,291	Iron Ore Fines	FOB	07.01.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	150,774	Iron Ore Fines	FOB	15.01.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	150,586	Iron Ore Fines	FOB	22.01.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	145,778	Iron Ore Fines	FOB	05.03.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	149,061	Iron Ore Fines	FOB	09.03.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	152,725	Iron Ore Fines	FOB	30.03.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	150,898	Iron Ore Fines	FOB	09.04.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	145,335	Iron Ore Fines	FOB	01.05.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	158,568	Iron Ore Fines	FOB	08.06.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	153,134	Iron Ore Fines	FOB	04.07.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	151,951	Iron Ore Fines	FOB	27.07.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	146,136	Iron Ore Fines	FOB	08.08.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	155,094	Iron Ore Fines	FOB	08.09.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	148,203	Iron Ore Fines	FOB	18.10.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	159,500	Iron Ore Fines	FOB	28.10.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	151,908	Iron Ore Fines	FOB	27.11.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	153,219	Iron Ore Fines	FOB	13.12.2019
SNIM	Mauritania	Nouadhibou	Glencore International AG	152,441	Iron Ore Fines	FOB	31.12.2019
Aggregate Value: US\$180,760,352.48							

Counter-party Name	Counter-party Country	Load Port	Buying entity	Volume (MT)	Commodity	Incoterm	Bill of Lading Date
PT Indonesia Asahan Aluminium (Persero)	Indonesia	Belawan, Indonesia	Glencore International AG	2,000	Aluminium metal	FOB	30.8.2019
Aggregate Value: US\$3,613,860							



Counter-party Name	Counter-party Country	Load Port	Buying entity	Volume (MT)	Commodity	Incoterm	Bill of Lading Date
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	62.75	Aluminium metal	FOB	02.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	151.19	Aluminium metal	FOB	02.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	86.29	Aluminium metal	FOB	17.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	395.53	Aluminium metal	FOB	17.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	22.53	Aluminium metal	FOB	17.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	87.14	Aluminium metal	FOB	17.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	727.68	Aluminium metal	FOB	18.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	393.44	Aluminium metal	FOB	18.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	197.09	Aluminium metal	FOB	18.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	659.29	Aluminium metal	FOB	18.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	66.60	Aluminium metal	FOB	18.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	528.29	Aluminium metal	FOB	23.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	65.88	Aluminium metal	FOB	23.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	266.49	Aluminium metal	FOB	28.12.2019
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	65.81	Aluminium metal	FOB	02.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	996.87	Aluminium metal	FOB	02.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	999.16	Aluminium metal	FOB	05.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	87.59	Aluminium metal	FOB	05.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	45.02	Aluminium metal	FOB	05.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	20.91	Aluminium metal	FOB	05.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	532.24	Aluminium metal	FOB	12.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	1'316.36	Aluminium metal	FOB	17.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	199.07	Aluminium metal	FOB	17.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	866.11	Aluminium metal	FOB	17.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	1'490.11	Aluminium metal	FOB	30.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	1'197.05	Aluminium metal	FOB	30.01.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	464.86	Aluminium metal	FOB	19.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	267.80	Aluminium metal	FOB	27.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	268.11	Aluminium metal	FOB	27.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	199.26	Aluminium metal	FOB	27.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	267.33	Aluminium metal	FOB	28.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	333.73	Aluminium metal	FOB	28.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	201.12	Aluminium metal	FOB	28.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	200.64	Aluminium metal	FOB	28.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	67.01	Aluminium metal	FOB	28.02.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	267.47	Aluminium metal	FOB	13.03.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	67.14	Aluminium metal	FOB	13.03.2020*
Tadjikistan Aluminium Company	Tadjikistan	Poti	Glencore International AG	799.44	Aluminium metal	FOB	13.03.2020*

Aggregate Value: US\$135,052,897.81

* Payments made in 2019 due to title transfer, despite the Bill of Lading Date being in 2020

Material advances and loans repayable with product

Material advances repayable with product

US\$ million	2019	2018
Counterparty		
Société Nationale d'Electricité (SNEL) power advances	303	340
Chad State National Oil Company	360	393
Société Nationale des Pétroles du Congo	18	65
Total	681	798

SNEL power advances

In early 2012, a joint agreement with Société Nationale d'Électricité (SNEL), the Democratic Republic of the Congo's (DRC) national electricity utility, was signed whereby Glencore's operations would contribute \$375 million to a major electricity infrastructure refurbishment programme, including transmission and distribution systems. This is expected to facilitate a progressive increase in power availability to 450 megawatts by the end of 2020. Funding commenced in the second quarter of 2012 and will continue until the end of 2020. The loans are being repaid via discounts on electricity purchases, which will accelerate upon completion of the refurbishment programme.

Chad State National Oil Company

Under the amended and restated agreement dated 28 June 2018, Glencore has provided a net \$379 million (2018: \$393 million) to the Chad State National Oil Company (SHT) to be repaid through future oil deliveries over ten years. As at 31 December 2019 the advance is net of \$778 million (2018: \$805 million) provided by a syndicate of lenders, the repayment terms of which are contingent upon and connected to the receipt of oil due from SHT under the prepayment. Of the net amount advanced, \$360 million (2018: \$393 million) is receivable after 12 months and \$19 million (2018: \$Nil) is due within 12 months and included within Accounts receivable.

Société Nationale des Pétroles du Congo (SNPC)

Under agreements dated 25 February 2015 and 8 March 2016, Glencore has provided a net \$156 million (2018: \$183 million) to SNPC repayable through future oil deliveries over five years.

As at 31 December 2019, the advance is net of \$498 million (2018: \$530 million) provided by the lenders, the repayment terms of which are contingent upon and connected to the future receipt of oil contractually due from SNPC. Of the net amount advanced, \$18 million (2018: \$65 million) is due after 12 months and \$138 million (2018: \$118 million) is due within 12 months. SNPC has indicated to Glencore and the syndicate of banks that it wishes to restructure the terms of this arrangement.

New material advances and Loans

During 2019, we did not enter into any new material advances and loans to SOEs, including resource-backed loans for oil with SOEs in EITI member countries, where the repayment term was longer than one year.

About this report

Basis of preparation and scope

This report has been prepared as required by the Transparency Directive Amending Directive (2013/50/EU), with the disclosure of Payments to Governments, in line with Chapter 10 of the EU Accounting Directive (2013/34/EU), along with a voluntary additional report of payments by 'regions and commodity'.

The presentation of taxes, production entitlements, royalties and other payments to governments is on a cash-paid basis during the reporting period. We convert in-kind payments into monetary value at the date of settlement. The report includes all such payments for activities that relate to exploration, discovery, development and extraction of minerals, oil, coal deposits and other

materials resulting from extracting activities of each of our operations, including joint operations. It also includes Glencore's proportionate share of payments by various relevant joint venture entities that are accounted for using the equity method, notably Cerrejón, Antamina and Collahuasi.

The base report excludes payments related to refining, processing, marketing and trading, as these are not in the scope of the EU directive, however such payments are provided as an additional voluntary disclosure on pages 28 to 35, so as to reconcile to the Group's overall payments to governments as presented in our annual sustainability report.

We have also included information, for those countries compliant with the Extractive Industries Transparency Initiative (EITI), on

commercial payments to state-owned oil enterprises for oil as well as minerals, having regard to the EITI's draft reporting guidelines for companies buying oil, gas and minerals from governments.

Glencore plc, as parent of the Group, has prepared the report on a consolidated basis, adjusted for Glencore's proportionate share of payments by various relevant material joint venture entities that are accounted for using the equity method, notably Cerrejón, Antamina and Collahuasi, but are otherwise reported on within the Group's underlying segment results on a proportionate consolidation basis.

This report captures the activity of Glencore's relevant entities active in the extractive industry.

Appendix One – Group Tax Policy

Our Group Tax Policy governs our approach to tax strategy.

1. Purpose and Scope

The purpose of this document is to set out the overall approach of Glencore Plc (“Glencore”) and companies controlled directly or indirectly by Glencore (together with Glencore, the “Glencore Group”) in respect of taxation. This document sets out Glencore’s approach towards management and control over its tax affairs and sets out the general framework within which the Glencore Group will operate when considering tax related issues.

This document is approved by Glencore’s Board of Directors on an annual basis and will periodically be reviewed by the CFO in conjunction with the Group Tax Team. Any amendments to this tax policy will be approved by Glencore’s Board of Directors.

The tax policy is mandatory and applies to all Glencore Group entities. The approach and principles described must be followed with respect to corporate income tax, withholding tax and all other direct and indirect government imposts, including royalties, wherever levied.

2. Group Approach to Tax

In accordance with our overarching group Code of Conduct, we are committed to comply with all applicable tax laws, rules and regulations, without exception.

Glencore aims to achieve an optimal tax position for the Glencore Group, which does not mean the lowest tax result possible in the short term, but rather the optimal tax result, taking into account sustainability and continuity of the positions taken over the longer term. Glencore may seek to take steps to procure advantage of reliefs and incentives available under applicable laws and double tax treaties. Any corporate and / or transaction structuring is to be undertaken with an economic and

commercial substance, consistent with Glencore’s commitment to be characterised as a “good corporate fiscal citizen”.

Glencore does not (and will not) therefore enter into artificial arrangements in order to avoid taxation or to defeat the stated purpose of the tax legislation, nor does it (nor will it) undertake aggressive tax planning. When deemed necessary, external advice will be sought in relation to areas of complexity or uncertainty to support the Glencore Group in understanding the tax consequences of its commercial and economic activities and complying with those effects.

3. Prevention of facilitation of tax evasion

Glencore does not tolerate tax evasion of any kind, including facilitation of tax evasion by any person employed or contracted to Glencore or acting on Glencore’s behalf (“Associated Persons”).

Facilitation of tax evasion may expose the Glencore Group and Associated Persons to significant adverse consequences such as serious damage to the Glencore Group’s reputation as well as civil and criminal liability.

Glencore is committed to adopt procedures that seek to prevent any such facilitation and will take appropriate action against any Associated Person who is found to have facilitated tax evasion of any kind.

4. Tax risk management and governance

As tax legislation is often complex and its application may be unclear, it is impossible to ensure that our interpretation of our obligations will always be accepted by tax authorities. Therefore, Glencore aims to ensure it is aware of all relevant tax risks, including in relation to compliance matters, financial reporting, tax planning, tax audits and legislative developments.

Glencore has established policies that govern our approach to identify, manage and mitigate tax risks. Identified tax risks are actively managed within an appropriate tax risk framework and control procedures. Significant risks are routinely reported to the Board and Audit Committee. Potential material risks are to be assessed for the likelihood of occurrence and the negative financial or reputational impact on the Glencore Group and its objectives.

5. Tax Compliance

Glencore aims to minimise the administrative burden involved in tax compliance while fully and efficiently complying with the tax laws, rules and regulations in the jurisdictions in which the Glencore Group operates. In particular, tax returns, claims, elections and payments should be made accurately and on time, while interest charges and penalties suffered should be avoided or minimised.

6. Tax Authorities

Glencore recognises the important role of all tax authorities in the various jurisdictions in which the Glencore Group operates, confirming them as stakeholders in its business.

It is Glencore's policy to be transparent and proactive in all interactions with tax authorities.

Therefore, all Glencore Group companies should seek to maintain constructive, collaborative and professional relationships with local tax authorities based on transparency and trust.

We recognise that on occasion there will be areas in which our legal interpretation may differ from that of tax authorities and where the tax treatment of activities and transactions is uncertain. In such cases, Glencore will engage in proactive discussions with the relevant tax authority with a view to bringing matters to a reasonable conclusion as rapidly and equitably as possible.

Glencore is committed to being characterised as a "good corporate fiscal citizen" aiming for sustainability in relation to tax.

7. Tax Resources

Any tax work should be prepared by personnel with an adequate technical understanding of local tax legislation and then reviewed by an experienced tax specialist. As a general / preferable rule, where possible, Glencore seeks to perform this work in-house.

Where the required expertise is not available in-house, external tax advisors may be mandated on the condition that they understand and comply with all aspects of Glencore's Group Tax Policy.

8. Transfer Pricing

Transactions between Glencore Group companies must comply with the arm's length principle as defined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and included in Article 9 of the OECD Model Tax Convention. There should be no exceptions to this rule.

Having local transfer pricing documentation ("Local File") is mandatory within the Glencore Group and legally required by many tax jurisdictions. Apart from limited exceptions approved by the Group Tax Team, every relevant transaction must be addressed in a relevant Local File.

9. Roles and Responsibilities

The Group CFO has overall responsibility for tax matters and is specifically responsible for approving the Group Tax Policy and informing the Audit Committee of material tax planning developments and substantial tax risks.

The Group Tax Team is responsible for day-to-day tax work, development of the Group Tax Policy implementation and tax risk management.

Appendix Two – Detailed Country Disclosures

During the year, we have received specific requests from civil society organisations and other interested stakeholders for a breakdown of the contributions we make in a number of our operating countries.

Democratic Republic of Congo

The following details our payments to the DRC government from 2017 to 2019:

US\$'000 Year	Payroll ¹			State Royalties			Corporate Tax		
	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC
2017	13,451	12,667	26,118	757	37,166	37,923	13	163,634	163,647
2018	16,310	16,845	33,155	30,389	68,055	98,444	-	329,319	329,319
2019	30,768	24,513	55,281	51,617	96,009	147,626	28,401	328,779	357,180
Total	60,529	54,025	114,554	82,763	201,230	283,993	28,414	821,732	850,146

US\$'000 Year	Provincial (Road) taxes			Export Taxes			Import Taxes		
	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC
2017	250	26,703	26,953	29	33,428	33,457	11,459	16,310	27,769
2018	13,790	25,642	39,432	28,319	45,696	74,015	57,010	45,866	102,875
2019	16,410	18,795	35,205	16,441	19,449	35,890	85,547	31,336	116,883
Total	30,450	71,140	101,590	44,789	98,573	143,362	154,015	93,511	247,527

US\$'000 Year	Share transfer tax / Stamp duty			Withholding tax			Central Bank tax on repatriations		
	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC
2017	-	27,675	27,675	909	3,526	4,435	1,658	7,036	8,694
2018	56,018	-	56,018	-	52,778	52,778	1,517	7,390	8,906
2019	-	-	-	950	-	950	5,840	2,318	8,158
Total	56,018	27,675	83,692	1,859	56,303	58,162	9,015	16,744	25,758

US\$'000 Year	Other			Total Tax		
	Katanga	Mutanda	Total DRC	Katanga	Mutanda	Total DRC
2017	29,265	22,430	51,695	57,791	350,573	408,364
2018	232,795	35,293	268,088	436,147	626,884	1,063,031
2019	60,077	26,157	86,234	296,051	547,357	843,407
Total	322,137	83,881	406,018	789,988	1,524,814	2,314,802

¹ Payroll taxes: include payments made by the employer only

South Africa

The following details our payments to the South African government from 2017 to 2019:

US\$'000	Payroll ¹			State Royalties		
	Ferroalloys	Coal	Total South Africa	Ferroalloys	Coal	Total South Africa
2017	4,379	2,225	6,603	21,930	30,245	52,175
2018	4,672	2,415	7,087	27,076	11,834	38,911
2019	4,109	2,374	6,483	11,712	11,301	23,013
Total	13,160	7,013	20,173	60,718	53,380	114,099

US\$'000	Corporate Tax			Infrastructure		
	Ferroalloys	Coal	Total South Africa	Ferroalloys	Coal	Total South Africa
2017	78,272	23,302	101,574	-	689	689
2018	122,599	24,184	146,783	-	-	-
2019	62,214	11,436	73,650	-	-	-
Total	263,085	58,922	322,007	-	689	689

US\$'000	Other					
	Ferroalloys	Coal	Other ²	Total Extractive	Non-Extractive ³	Total South Africa
2017	71,254	37,136	(35,486)	72,903	65,745	138,648
2018	79,090	42,579	(26,250)	95,418	68,683	164,101
2019	73,807	43,583	(25,671)	91,719	1,091,755	1,183,474
Total	224,150	123,298	(87,407)	260,041	1,226,183	1,486,224

US\$'000	Total Tax				
	Ferroalloys	Coal	Other	Non-Extractive	Total South Africa
2017	175,834	93,597	(35,486)	65,745	299,690
2018	233,437	81,012	(26,250)	68,683	356,882
2019	151,841	68,694	(25,671)	1,091,755	1,286,620
Total	561,113	243,303	(87,407)	1,226,183	1,943,192

1 Payroll taxes: include payments made by the employer only

2 Amount mainly refers to diesel rebates, not in scope for the EU Directive

3 Amount mainly comprises fuel levies within Astron Energy, a refinery and downstream marketing business, which is out of scope for the EU Directive and reported its payments for the first time due to its acquisition in 2019.

Glossary

Unless noted otherwise in the report, the following terms have the meanings noted below:

Adjusted effective tax rate

Corporate income tax charge of an accounting period divided by the accounting profit before tax, adjusted for significant items (primarily currency translation effects and tax losses not recognised).

Bonuses

Payments to general government units related to awards, grants, or transfer of extraction rights. Payments can be in the form of periodic payments or a fixed amount upon signing of a contract, achievement of certain production levels or targets and discovery of (additional) mineral resources or deposits.

Customs / export & import duties

Payments to governments in relation to goods imported into and/or exported from a country. Customs duties are usually imposed on an ad valorem basis, but sometimes on the basis of specific duties charged on particular items. These payments have been voluntarily added to the reports.

Disclosure threshold

Payments made to a government as a single payment or as a series of related payments of £86,000 (EUR 100,000) or more made in a financial year form part of this report.

Dividends

Payments so named to governments, other than dividends to government units in their capacity as ordinary shareholders in an enterprise. Such dividends are normally paid to a government in lieu of production entitlements or royalties. There were no such dividend payments to governments during the reporting period.

Fees

Payments to governments where no specific service is attached, but rather 'levies' on the initial or ongoing right to use an area for exploration, development and/or production. Such fees include licenses, rentals, entry fees and other consideration for licences and concessions.

Government

Any national, regional or local authority of a country and includes any department, agency or undertaking controlled by such an authority.

Infrastructure improvements

Payments to governments, comprising of the provision of public access infrastructure, such as roads and bridges. Payments are either in the form of cash or in-kind contributions (the completed infrastructure). Payments in respect of social or community programs such as building / providing a hospital, school or playground are excluded.

Municipal recipient entities

These include county councils, city councils.

National recipient entities

These include federal governments, ministries of mines.

Project

Operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment of liabilities to a government. Where multiple such agreements are substantially interconnected, this is considered as a single project. Most of Glencore's extractive operations are covered by operationally and geographically connected contracts and activities.

As a result, the projects reported by Glencore are mainly defined per commodity within an interconnected geographical area.

Production entitlements

Payments to governments based on the volume of output, as mandated in any agreement or license. These mandated volume based calculations can be paid in cash or in-kind, and can be net of any other royalty payments. In-kind payments are converted to a dollar amount based on the market price prevailing at the date of settlement.

Regional recipient entities

These include regional councils, state governments.

Royalties

Payments to governments in respect of revenue or production related to the extraction of mineral, coal, oil and gas reserves.

Taxes on income

Payments to governments based on taxable profits and taxes levied on production. It also includes withholding taxes paid on dividends, interest, royalties and services. These taxes are generally represented as income taxes in the Consolidated Income Statement of Glencore. Taxes levied on consumption such as value-added taxes, personal income taxes or sales taxes are excluded.

Important notice

Important notice concerning this report including forward looking statements

This document contains statements that are, or may be deemed to be, “forward looking statements” which are prospective in nature. These forward looking statements may be identified by the use of forward looking terminology, or the negative thereof such as “outlook”, “plans”, “expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore’s control. Forward looking statements are not guarantees of future performance and may and often do differ materially from actual results. Important factors that could cause these uncertainties include, but are not limited to, those disclosed the Principal Risk and Uncertainties section of the Annual Report 2019.

For example, our future revenues from our assets, projects or mines will be based, in part, on the market price of the commodity products produced, which may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include (without limitation) the ability to produce and transport products profitably, demand for our products, changes to the assumptions regarding the recoverable value of our tangible and intangible assets, the effect of foreign currency exchange rates on market prices and operating costs, and actions by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

Neither Glencore 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. You are cautioned not to place undue reliance on these forward-looking statements that only speak as of the date of this document.

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Further information

In addition to this our annual Payments to Government Report, our annual corporate reporting suite reflects our commitment to transparent disclosure across a broad range of topics:

- Annual Report 2019
- Sustainability Report 2019
- Sustainability Highlights 2019
- ESG data book and GRI index 2019
- Modern Slavery Statement 2019
- Human Rights Report 2019
- Water Report 2019
- Our Approach to Sustainability

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