

Climate Action Transition Plan (29 April 2021 AGM, Resolution 14) – Corporate Governance

Glencore plc is to put its Climate Action Transition Plan dated 4 December 2020 (*Plan*) to shareholders for an advisory vote at its 29 April 2021 AGM. Glencore would like to clarify that the Board remains responsible for the management and oversight of all risks and opportunities relating to the Company's business, including regarding climate change, in accordance with the applicable legal and governance framework set out below. A shareholder vote on the Plan does not change this responsibility.

The Board believes that a global shift to net zero emissions requires greater engagement between companies and their investors. In setting out its Plan Glencore intends to increase the level of transparency and responsibility and strengthen this dialogue.

In summary, the legal and governance framework applicable to Glencore in respect of its Plan is:

1. an advisory vote on the Plan neither abdicates the Directors' corporate governance obligations nor reduces their responsibilities, specifically:
 - a. shareholder rights to appoint the Board are completely unaffected by this proposal. In accordance with provision 18 of the [UK Corporate Governance Code](#), "[a]ll directors should be subject to annual re-election". The appointment or re-appointment at the AGM of each director of Glencore is by separate resolution. As a result, voting on the Plan does not constrain shareholders from voting as they wish on the appointment or re-appointment of any director, or indeed on any other resolution proposed at the AGM;
 - b. in [Glencore's 2020 Annual Report](#), reference is made to the Board's responsibility regarding the Company's strategy in various instances, including "[a] central task of the Board and its Committees is to oversee a strategy that can achieve lasting success and generate sustainable returns for business..." (page 24) and "[t]he Board has approved a schedule that sets out the matters reserved for its approval, including Group strategy..." (page 92). The Board believes that this approach is consistent with its duties under Article 74 of the Companies (Jersey) Law 1991 to act in the best interests of the Company (which includes considering the interests of its shareholders); and
 - c. article 117 of Glencore's [Articles of Association](#) vests management of the business in the Board and states: "the business and affairs of the Company shall be managed by the Directors [...] who may exercise all the powers of the Company";
2. an advisory vote on the Plan does not mean the Board delegates its oversight and responsibilities for setting strategy to shareholders.

Specifically under Article 117, Glencore's Directors are empowered to "manage the business and affairs of the Company [...] subject to any regulations as may be prescribed by ordinary resolution". The proposed ordinary resolution is, as indicated in the Chairman's letter, an advisory only vote and will not have effect as a regulation. It seeks to promote discussion and engagement with shareholders on climate issues. The Board would of course take into account shareholder views as a result of such discussion and the outcome of the vote, but without changing the Board's responsibility for the Company's approach and the management of the Company's business with respect to climate matters.