

GLENCORE

Glencore plc
Baar, Switzerland
20 February 2019

Furthering our commitment to the transition to a low-carbon economy

As one of the world's largest diversified resource companies, Glencore has a key role to play in enabling transition to a low carbon economy. We do this through our well-positioned portfolio that includes copper, cobalt, nickel, vanadium and zinc - commodities that underpin energy and mobility transformation. We believe this transition is a key part of the global response to the increasing risks posed by climate change.

We recognise climate change science as set out by the United Nations Intergovernmental Panel on Climate Change. We believe that the global response to climate change should pursue twin objectives: both limiting temperatures in line with the goals of Articles 2.1(a)¹ and 4.1² of the Paris Agreement ('the Paris Goals') and supporting the United Nations Sustainable Development Goals, including universal access to affordable energy.

To deliver a strong investment case to our shareholders, we must invest in assets that will be resilient to regulatory, physical and operational risks related to climate change.

To meet the growing needs of a lower carbon economy, Glencore aims to prioritise its capital investment to grow production of commodities essential to the energy and mobility transition and to limit its coal production capacity broadly to current levels³.

Following engagement with investor signatories of the Climate Action 100+ initiative, we are taking the following steps to further our commitment to the transition to a low-carbon economy:

1. Paris-consistent strategy / capital discipline

As Glencore rebalances its portfolio towards commodities that support the transition to a low-carbon economy, the intensity of Scope 3 emissions is expected to decrease. Starting in 2020, we will start disclosing our longer-term projections for the intensity reduction of Scope 3 emissions, including mitigation efforts.

Glencore recognises the importance of disclosing to investors how the company ensures that material capital expenditure and investments are aligned with the Paris Goals. This includes each material investment in the exploration, acquisition or

¹ Article 2.1(a) of The Paris Agreement states the goal of "Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."

² Article 4.1 of The Paris Agreement reads: "In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty."

³ This may include the exercise of our pre-emptive rights to acquire minority stakes of joint-venture partners in our existing operations.

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development of fossil fuel (including thermal and coking coal) production, resources and reserves, as well as in resources, reserves and technologies associated with the transition to a low carbon economy. Starting in 2020, we intend to report publicly on the extent to which, in the Board's opinion, this was achieved in the prior year and the methodology and core assumptions for this assessment. These disclosures will be made in our Annual Report.

2. Public Scope 1 and 2 targets

In 2017, we announced our first target of reducing our greenhouse gas emissions intensity by 5% by 2020 compared to a 2016 baseline. We are currently on track to meet this target.

Glencore recognizes the importance of continued reductions of greenhouse gas emissions from our operations. We are developing new, longer-term targets based on policy and technological developments that support the Paris Goals, and intend to make these public in our Annual Report in 2020. We will report annually on our progress.

3. Review of Progress

Glencore reports annually on the progress in meeting its climate change objectives. The disclosure is included in our Annual Report and supported by further details in the Sustainability Report. We are committed to transparency and will continue to publish data on our climate change performance on our website, including continued disclosure of our Scope 3 emissions.

We will give consideration to how our climate change objectives can be reflected in the design of the relevant schemes for executive management.

In addition to our reporting under 1 and 2 above, every three years, we will review any changes to the Nationally Determined Contributions (NDCs) in line with the Paris Agreement mechanism, and other relevant policy, economic and technology developments to assess societal progress in the energy transition and to update our scenario-based portfolio assessment.

4. Alignment with Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

Glencore was an early supporter of the voluntary guidance on consistent climate related financial disclosures produced by the TCFD. We are pleased to publicly support the TCFD guidance and have started to implement its recommendations in our annual reporting.

Consistent with TCFD recommendations, as appropriate, Glencore will continue to disclose the metrics, targets and scenarios we use to assess and manage relevant climate-related risks and opportunities.

5. Corporate climate change lobbying

Glencore believes that it is appropriate that we take an active and constructive role in public policy development and to participate in relevant trade associations. Glencore acknowledges “IIGCC Investor Expectations on Corporate Climate Lobbying” and recognizes the importance of ensuring that its membership in relevant trade associations does not undermine its support for the Paris Agreement and the Paris Goals.

Glencore will consider whether its membership in relevant trade associations aligns with the company’s stated positions in this statement. The result of this review, including any material misalignments identified and actions that will be taken, will be made public in 2019.

Ends

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Notes for Editors

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

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

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 158,000 people, including contractors.

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



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