



Review of our industry
organisations' positions
on climate change
2020

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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 responsibly source 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

Chief Executive introduction

Ivan Glasenberg
Chief Executive Officer



In 2019, we published our first Review of our Industry Organisation's Positions on Climate Change. The Review considered both our direct and indirect lobbying on climate-related topics and evaluated any statements, both internally generated or made by an external organisation in which Glencore is a member, which were not aligned with our support for the goals of the Paris Agreement.

Undertaking this review annually improves our understanding of the positions and advocacy undertaken on climate change held by those organisations in which we hold membership. Following our initial review, we continue to monitor our industry organisations' support for and advocacy on the goal of the Paris Agreement to limit the rise in global average temperatures this century to well below two degrees Celsius (2°C) above pre-industrial levels.

We recognise that through taking an active and constructive role in public policy we can support a balanced debate on key topics. We have developed a position on climate change that guides our discussion with policy-makers and other stakeholders during the development and implementation of legislation and regulation. Our position on climate change is available in Appendix One.

In addition, we published today our longer-term target and ambition to deliver our commitment to continue to reduce our emissions and to align our corporate strategy with the goals of the Paris Agreement. We are working towards delivering a 40% reduction of our total greenhouse gas emissions (Scopes 1, 2 and 3) by 2035, based on a 2019 baseline, as well as achieving our ambition of net zero total emissions by 2050.

To deliver our climate change target and ambition, we require a supportive policy environment. Coordinated government policies, including incentives to drive accelerated uptake of lower carbon and decarbonisation technologies and market-based regulations governing industrial practices that drive a competitive, least cost emissions reduction approach, are critical to our ability to achieve our ambition of net zero total emissions by 2050.

We have also published our Climate Report 2020: Pathway to Net Zero, which sets out portfolio's resilience to the various scenarios and aligns with the recommendations set out by the Taskforce for Climate-related Financial Disclosure (TCFD). This publication is available on our website at www.glencore.com/sustainability/reports-and-presentations

Our assessment of the activities undertaken during 2020 identified three regions/countries with significant movement on climate policies over the last few years: Australasia, Europe and South Africa. As such, we have focused this year's review on our direct and indirect advocacy activities in these jurisdictions, recognising the importance of concerted and pragmatic policy action to help achieve the goals of the Paris Agreement.

During 2020, the world's attention has focused on national and international responses to the global pandemic, Covid-19. While we recognise the need for a robust response to Covid-19, it must not delay our response to climate change. To this end, Glencore has undertaken extensive work throughout the year to identify the steps we must take to both future-proof our business as well as align our strategy with the goals of the Paris Agreement. Where appropriate, we expect our industry organisations to take a similarly focused approach that supports the extractive sector contributing to the transition to a lower-carbon world.

We look forward to receiving your feedback on this and our other publications.

A handwritten signature in black ink, appearing to read 'Ivan Glasenberg'.

Ivan Glasenberg
Chief Executive Officer
4 December 2020

Industry organisations

We participate in discussions with governments and other interested stakeholders during the development of public policies and legislation. Sometimes our engagement is direct, through meetings with government representatives or participating in government-hosted roundtables, sometimes it is indirect through the industry organisations in which we hold membership.

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.

Role of organisations

Glencore holds membership in a broad range of industry organisations. Some of these are global in nature, while others have a regional, national or local focus. The structure and objectives of each organisation varies. Some represent a broad mix of companies and sectors and may cover a range of policy, business and sustainability topics, including climate change and energy. Others exist to address one or two topics that are key to their limited members. Each organisation implements their own governance structures and membership requirements that reflect their purpose and objectives.

The formal positions on a given topic developed by industry organisations involve engaging with members, considering their varying views. Our participation in industry organisations provides a forum in which we can hear and understand views that may differ from our own.

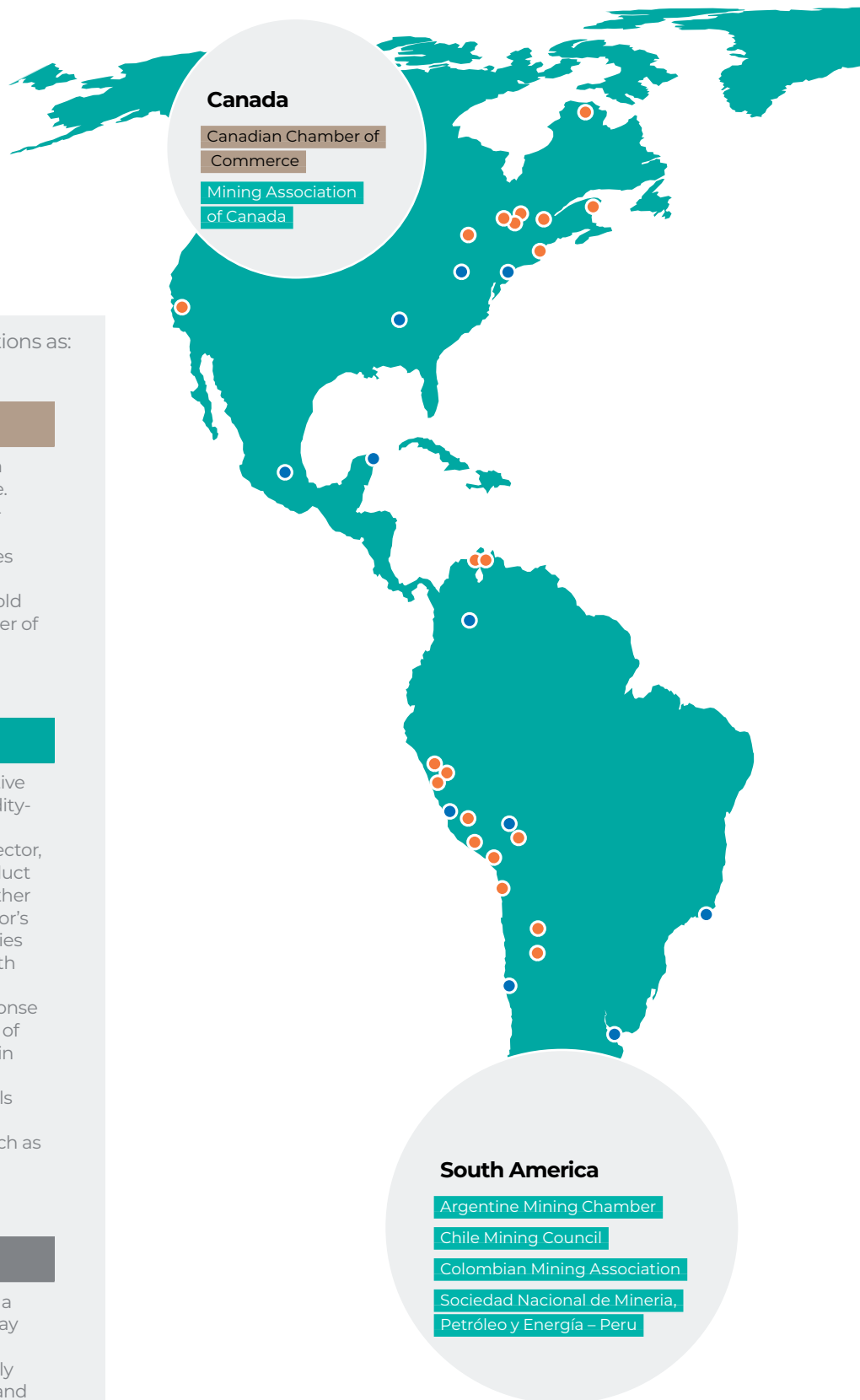
Why we belong to industry organisations

Glencore participates in industry organisations to represent, promote and protect the interests of our business. In addition, our industry organisations develop, implement, review and update industry-relevant standards, best practice and guidance for the broad range of health, safety, environment, community and human rights topics that affect the extractive sector.

Through our membership and participation in industry organisations, we can present our views and concerns and take part in discussions across a wide range of topics. This provides the opportunity to hear different opinions and perspectives that in turn strengthen our understanding of industry-specific topics, as well as of broader topical regional and national issues. We share and receive examples of good practice and work together on developing and improving equipment and standards that benefit the extractive sector.

Industry organisations also provide a forum in which members can discuss and agree on an approach for engagement with government, regulators and other stakeholders on certain issues, such as climate change, transparency, local economic development or commodity-specific issues. We recognise that responsible political engagement is critical for building and maintaining trust in the political process. Through enabling public decision-makers to hear legitimate points of view from industry, we can support effective policy decisions in the interests of all stakeholders.

As one member among a wide membership base, we share our perspective and opinion, but this may not be the final position taken by the organisation.



We generally identify industry organisations as:

Multi-sectoral organisations

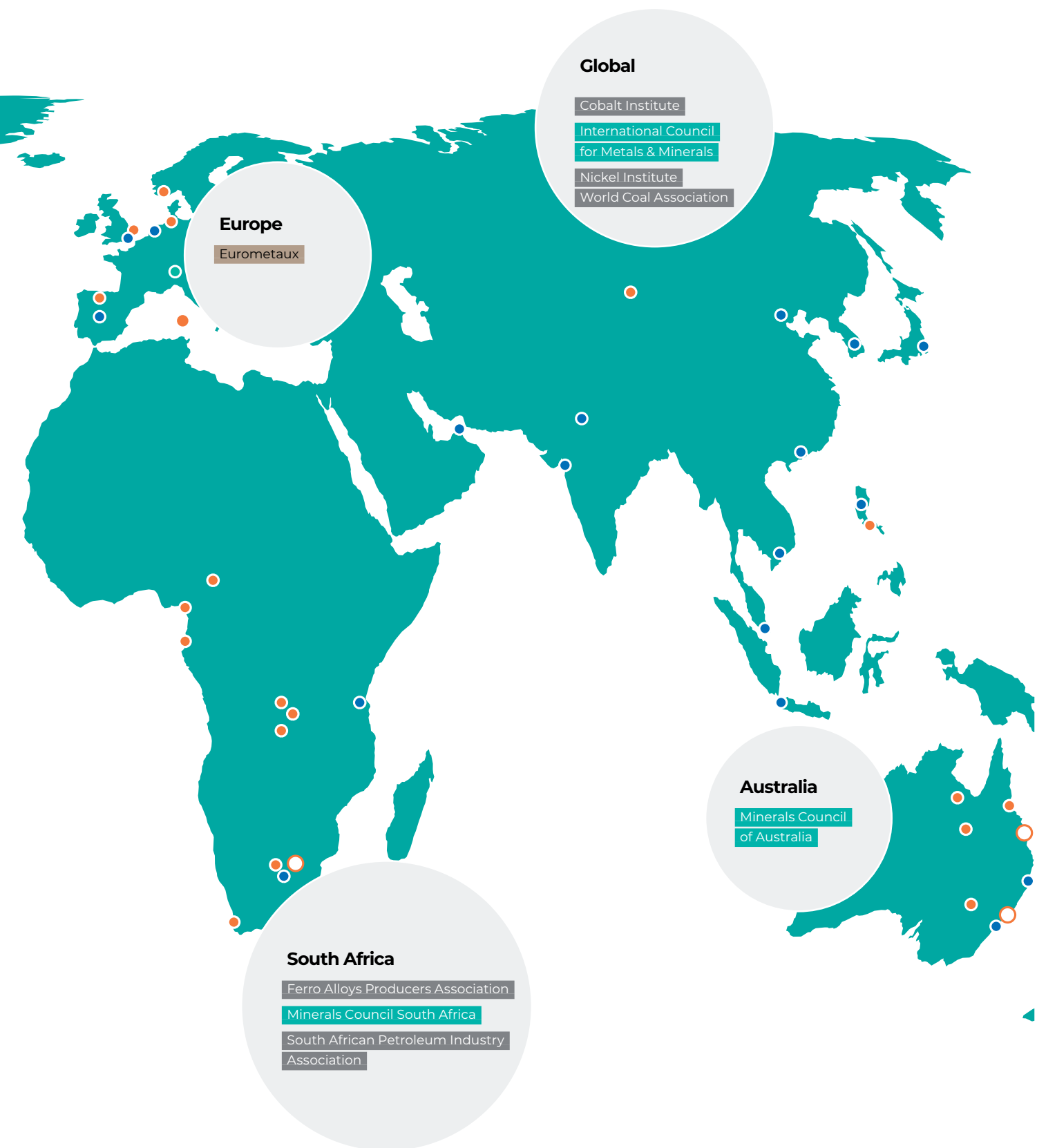
with a diverse range of membership, which often focus on a region, country or province. Their primary role is to promote a business-friendly environment that encourages economic diversity and supports companies from a wide range of sectors. Examples of multi-sectoral organisations in which we hold membership include the Canadian Chamber of Commerce and the Catamarca Economic Development Agency in Argentina.

Extractive-sector organisations

bring together companies from the extractive sector to develop either sector- or commodity-specific responses. Their work may involve advocacy on specific topics affecting the sector, such as climate change and energy or product stewardship, but more typically bring together companies to focus on addressing the sector's challenges and opportunities. These activities could include improving occupational health through working with equipment manufacturers or developing a sector response to a topical issue such as the management of tailings storage facilities. We are members in organisations that are global, such as the International Council on Metals and Minerals and regional or national, for example the Minerals Council of South Africa, or local such as the Association de l'Exploration Minière du Québec.

Issue-specific organisations

develop and promote an informed view on a specific issue. While these organisations may contribute to regulatory development, for Glencore, these organisations are more likely to provide a platform to share information and promote understanding. An example would be the organisations that assist their members to achieve the European Commission's REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) registration.



Our approach to membership

Our Values, Code of Conduct and Political Engagement Policy set out our expectations for our engagement, whether direct or indirect, in policy developments or emerging regulations.

We require everybody working at Glencore to adhere to our principles on membership of industry organisations:

Purpose of membership:	we may become members, either as Glencore Group or as an individual department or asset, in industry organisations to contribute towards the setting of industry standards and the development of government policies and regulation, as well as to share non-competitive industry-related information. Glencore participates in industry organisations to represent, promote and protect the interests of our business. Our participation should support a collaborative, collective approach that achieves more than acting alone. Our membership in relevant industry organisations should not undermine our support for the goals of the Paris Agreement.
Governance:	we review regularly the organisations in which we participate, including their strategic fit with our corporate purpose, Values, Code of Conduct and positions on material topics. Our Board Ethics, Compliance and Culture Committee receives and evaluates an annual internal review of our membership of industry organisations and those organisations' activities. Our Political Engagement Policy sets out our approach and the general requirements in connection with our engagement in policy development.
Transparency:	we will report on our membership of industry organisations, the fees in excess of \$200,000 associated with membership and our roles and activities within these organisations. We will take steps to ensure that our industry organisations undertake transparent engagement with public officials and government authorities. We expect our industry organisations to publish their positions on public policies.
Monitor and Review:	<p>prior to joining an industry organisation, we evaluate its existing positions, strategies and objectives for alignment with our own. Once members, we monitor industry organisations' activities to ensure consistency with our positions.</p> <p>We acknowledge that industry organisations represent a range of members with different views across multiple policy areas, and, as a result, the representations they make may not always fully reflect our positions on material topics</p>
Misalignment:	<p>if an industry organisation adopts an approach inconsistent with our Values, Code of Conduct and Political Engagement Policy, or the goals of the Paris Agreement, we will take appropriate action. This may include:</p> <ul style="list-style-type: none"> • Constructively engaging with the organisation • Resign from that organisation and establish independent advocacy
Use of funds:	we require our industry organisations to comply with local regulations and to maintain appropriate governance and transparency in relation to the use of funds or resources in connection to political parties, political organisations or their representatives either directly or indirectly

Membership fees

For each of our industry organisations, we pay annual fees. Organisations calculate their fees as a fixed amount for all members or as a proportion of annual revenue or production volumes. Generally, organisations do not assign membership fees to a particular purpose or activity. On some occasions, we may pay additional fees for one-off projects.

During 2019, the organisations to which we paid fees in excess of US\$200,000 are:

Organisation	US\$
International Copper Association	4,200,000
Minerals Council of Australia	2,007,525
Nickel Institute	1,790,000
Cobalt Institute	970,000
ICMM	805,000
Queensland Resource Council	671,750
NSW Minerals Council	561,222
International Zinc Association	560,000
Sociedad Nacional de Minería, Petróleo y Energía (Perú)	426,000
Minerals Council of South Africa	412,208
International Lead Association	286,500
World Coal Association	205,000

2020 REVIEW PROCESS

Our annual review of our direct lobbying activities and the positions on climate change taken by our industry organisations assess alignment with our commitment to the goals of the Paris Agreement.

The review assesses our existing communication materials that reference climate change, energy and related topics. This includes our direct advocacy activities with government representatives, presentations – made either as Glencore or on behalf of one of our industry organisations – and licence applications, particularly for our coal business. We found no misalignment.

For our industry organisations, we first confirmed those in which we hold membership and the organisation's key Glencore contact, as well as the membership fees paid. The full list of identified organisations is set out in Appendix Two.

We then identified the organisations with formal positions on climate change positions and energy and/or undertaking related advocacy activities, and whether these align with our policy positions on the Transition to a Low-Carbon Economy.

Key findings

Our assessment considered the degree to which Glencore's and our industry organisations' position and activities relating to climate change and energy aligned with our positions on climate change science and the goals of the Paris Agreement, as well as express support for the United Nations Sustainable Development Goals (UN SDGs).

Our review found that of the nearly 100 organisations in which we hold a membership, the vast majority do not have a climate change statement and do not undertake climate-related advocacy, instead focusing on regional- and/or commodity-specific activities.

Our review did identify three regions/countries, where there has been significant movement on climate policies over the last few years: Australia, Europe and South Africa. Within these jurisdictions, we are members of a number of active industry organisations and our findings focus on their climate-related positions and advocacy activities.

While this is a different approach to our previous review, which focussed on our industry organisations' alignment with the goals of the Paris Agreement, we believe that choosing to focus on our direct and indirect advocacy

activities within these jurisdictions will support understanding of the concerted and pragmatic policy action underway to help achieve the goals of the Paris Agreement.

World Coal Association

Reflecting our external stakeholders' interest in the World Coal Association (WCA), we engaged with them on the advocacy work they are undertaking on climate-related topics.

Over the last year, the WCA has undertaken a strategic review of its approach. The review recognises that coal will continue, in the short- to medium-term, to have a role in a number of markets. This is particularly true in developing and emerging economies in Asia, where coal contributes to energy security, supporting energy access and powering industrial development. As a result, WCA has embarked on a more active engagement programme with coal-consuming countries, especially in South-East Asia.

WCA's Climate Change Position Statement states its recognition of the objectives of the Paris Agreement and its members' commitment "to playing an active, constructive role in meeting the global challenge of climate change". Within the statement, the WCA confirms that it works with countries that have "outlined a role for coal and their nationally-determined commitments (NDCs), providing policy support to encourage the deployment of low emission coal technologies as a key facet of meeting their individual climate goal."

WCA is calling for collaborative efforts on large-scale deployment of CCUS across various sectors, including electricity generation, industrial applications and bioenergy.

WCA is working with the Association of Southeast Asian Nations' (ASEAN) Centre for Energy on its Plan of Action for Energy Cooperation (APAEC). This collaboration focuses on one of APAEC's key strategic priorities, coal and clean coal technologies. Part of the work will involve quantifying the contribution of coal and cleaner coal technology in meeting the UN SDGs' economic, social and environment objectives, as well as exploring different energy generating options and carbon abatement technologies.

APAEC recognises the need for clean coal technology in its drive towards energy security cooperation, while also

working to reduce the region's energy intensity and increase its use of renewable energy sources.

Responding to our 2019 findings

Our 2019 Review identified no serious misalignments between Glencore's position on climate change and those taken by our industry organisations. While our research showed our industry organisations were publicly communicating on climate change, through speeches, presentations, press statements and lobby activities, some had not consolidated their approach in the form of a coherent position statement.

Following the publication of our 2019 Review, we engaged with organisations to encourage them to formalise their positions. During 2020, we are pleased to note that the Minerals Council of Australia and World Coal Association have published climate position statements that align with the goals of the Paris Agreement.

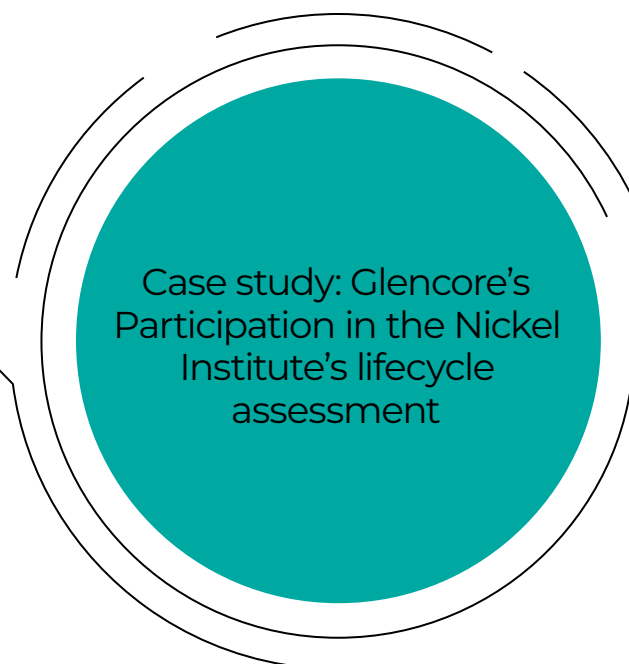
Glencore, through Falconbridge, was a founding member of the Nickel Institute in 1984. The Nickel Institute is the global association of leading primary nickel producers, with a mission to promote and support the proper use of nickel in appropriate applications.

Between 2018 and 2019, the Nickel Institute conducted a lifecycle assessment (LCA) on nickel products (nickel metal, ferronickel and nickel sulphate) to assess the environmental footprint of these products produced by its members. This project ensures lifecycle databases include the latest data and that it is available in turn to incorporate into LCAs and carbon footprint assessments of downstream users of nickel.

Lifecycle data includes the in- and outputs for each process step in the production of nickel products. Inputs include raw materials, energy, process chemicals or water and process outputs are end products, emissions to water, air or waste. The data provided by the LCA supports the assessment of the environmental performance of products by their end users.

All of Glencore's assets involved in the mining, smelting, refining of nickel participated in the LCA.

Utilising data from the Nickel Institute's previous LCAs from 2007, 2011 and 2017, the 2019 assessment showed that since 2007, CO₂ emissions reduced by 9%, and since 2011 by 4%, demonstrating the efforts of the Nickel institute's members to contribute to the Paris Agreement. The industry continues to work on lowering greenhouse gas emissions, and further reducing the contribution of nickel to the carbon footprint of batteries.



Key policy developments

In 2020, in addition to existing national policy and funding commitments under the Climate Solutions Package, the Australian government released several reports that made recommendations and identified the investment required to take meaningful action on climate change. These included a Technology Investment Roadmap Discussion Paper, the King Review, Beyond Zero Emissions and the Million Jobs Plan.

During 2020, the Australian Climate Change Authority, which is tasked with providing independent, expert advice on climate change policy, released a report with 35 recommendations for establishing a policy framework supportive of Australia's commitments under the Paris Agreement. Australia has committed to a 26-28% reduction on GHG emissions by 2030 on 2005 levels under the Paris Agreement.

The Australian government also released its first Low Emissions Technology Statement, which sets out its technology investment priorities, and will also produce a Long Term Strategy ahead of COP26 in November 2021. The paper takes a technology neutral approach to investment, supports gas and CCUS, as well as renewables, and does not exclude coal and nuclear power.

Our activities

In Australia, our direct climate-related advocacy activities have primarily related to our wholly-owned subsidiary, the Carbon Transport and Storage Company Pty Ltd (CTSCo), which aims to demonstrate Carbon Capture Use and Storage (CCUS) technology on an industrial scale in Queensland. It is Australia's most advanced onshore CCUS project and focuses on:

- Capturing CO₂ from a coal-fired power station
- Permanently storing the CO₂ deep underground in Queensland's southern Surat Basin.

We have been a long-term supporter of CCUS technology as a means to reduce emissions from fossil

fuels and to service the hydrogen economy. The International Energy Agency regards CCUS as a "key technology" in the global transition to a low-carbon economy.

CTSCo has the potential to store significant volumes of CO₂ in the region, which can deliver the critical infrastructure to reduce and remove existing and future sources of industrial emissions. The project will provide a technology pathway for materially reducing Australia's overall carbon footprint, help federal and state governments achieve their stated emissions reductions targets, and provide a pathway for many of our international end-use customers to reduce CO₂ emissions.

Since the project's inception, CTSCo has brought together a range of scientific and technical experts from Universities of Queensland, Melbourne and Texas to review independently detailed modelling, testing and analysis to determine the suitability of storing CO₂ deep underground.

In December 2019, the Queensland government granted CTSCo a greenhouse gas exploration permit, which enables the assessment of the viability of safely and sustainably storing CO₂ over 2.3km underground. Since then, we have conducted a number of research and development activities and in September 2020 successfully drilled an appraisal well. This has now been cased and suspended as a future injection well and forms the first piece of storage infrastructure confirming the project's location and providing foundation data and infrastructure for future industrial scale sequestration.

CTSCo is seeking up to AUD\$25 million from the Australian government towards the AUD\$150 million project, with the remaining funds committed by LETA, ANLEC R&D and the Australian coal industry, including Glencore. The Australian Government has a long history of investing in CCUS initiatives and we are confident that CTSCo's work to prove its storage capability presents a strong business case for further support.

Active industry organisations

Minerals Council of Australia

The Minerals Council of Australia (MCA) is the leading advocate for the minerals industry in Australia across a range of public policy topics including, but not limited to, climate change.

The MCA recognises that it cannot have a 'one size fits all' approach to climate change matters due to the diversity of its membership. However, through its Energy and Climate Committee, which Glencore co-chairs, MCA have developed and published a Climate Action Plan (CAP).

The CAP clearly states MCA's commitment to the Paris Agreement and its goal of net zero emissions and focuses on technology, transparency in reporting and knowledge sharing. The CAP notes the transition to a lower emissions future is a global undertaking of major technological, economic and social challenge in which Australia and the minerals sector must play their part. The CAP calls for a stable national policy framework to support rapid action to achieve an ambition of net zero emissions in Australia.

The CAP informs the MCA's engagement with the Australian government on climate change topics and has identified a series of actions focused on three key themes:

1. Support developing technology pathways to achieve significant reductions in Australia's greenhouse emissions.
2. Increase transparency on climate change related reporting and informed advocacy
3. Knowledge sharing of the sector's responses to addressing climate change

Key policy developments

The European Green Deal is the European Commission's (EC) action plan to deliver climate neutrality by 2050, through a vast reduction in greenhouse gas emissions, implementing a circular economy to increase efficient resource use, invest in green technologies, protect and restore biodiversity and cut emissions and pollution.

The Green Deal includes potential carbon tariffs for countries that do not reduce their greenhouse gas emissions at a similar pace – this will be achieved through the Carbon Border Adjustment Mechanism (CBAM). The CBAM aims to reduce the risk of carbon leakage through ensuring equivalent carbon costs between imports and goods produced in the European Union (EU).

The Emissions Trading System (ETS) uses the 'cap and trade' principle, setting a cap on the total amount of certain greenhouse gases emissions from installations in the EU covered by the system. Over time, the cap reduces to lower total emissions. Within limits for overall emissions, companies can buy and sell emission allowances that have a certain (variable) price per tonne for carbon. Harmonised rules give certain industries free allowances and compensation for the indirect carbon costs they face.

Our activities

Glencore's advocacy in the EU and its member states is mostly through industry organisations. Particularly on EC policy development, our engagement is through our participation in relevant working groups in Eurometaux, the International Copper Association and the Nickel Institute. We also hold memberships in a number of organisations that focus on achieving product compliance with the EC's REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) registration.

In Eurometaux, Glencore sits on a number of its task forces and working groups. Directly, by our European-based zinc and nickel assets, and through Eurometaux, we are endorsing the development of the European Raw Materials Alliance (ERMA), which is a response to the European Union's 2020 Critical Raw Materials list, which aims to develop more resilient European value chains. ERMA supports the implementation of Europe's circular economy and recognises that raw materials are key to achieving Europe's ambition of climate neutrality in 2050.

In the International Copper Association, Glencore representatives participate in its Board, strategy and

executive committees and working groups on material stewardship, marketing, industry reputation and responsible sourcing.

Glencore is a member of the Nickel Institute's Health, Environmental and Public Policy working group, which considers how regulations and policy developments may affect the nickel industry, including those relating to climate change. It also considers how to promote nickel's role in reducing emissions.

Glencore chairs the Cobalt Institute, and participates in its working group on responsible sourcing.

Glencore also chairs the International Energy Agency's Coal Industry Advisory Board (CIAB), based in Paris. CIAB members represent most of the world's coal producing and using countries and are nominated by national governments. There is a significant focus on reducing emissions and recent reports include *The Role and Value of CCS in different national contexts* (2019) and *Reducing China's Coal Power Emissions with CCUS Retrofits* (2018).

In 2020, Glencore participated directly and through these industry associations in a public consultation by the London Metals Exchange on its Base Metals Due Diligence Standard.

Active industry organisations

Eurometaux

Eurometaux represents the interests of the non-ferrous metals industry (producers and recyclers) with EU policy makers. It advocates on EU policies and regulation, with a focus on energy and climate change, chemicals management, international trade and sustainability.

Eurometaux's position on climate change recognises the need for a global approach to limit climate change to below two degrees, as well as noting the role of metals in enabling the transition and the steps the European metals sector is taking by reducing greenhouse gas emissions in production processes. It expresses concern that the global imbalances in climate regulations threaten European producers' competitiveness.

Eurometaux recognises that the Green Deal will provide both challenges and opportunities for its members, through the significant increase in demand for metals, while highlighting the need for a level playing field through adequate carbon leakage measures delivered by a globally-focused competition policy and an assertive EU trade policy.

Currently, non-ferrous metals producers are subject to the EU ETS and recognised on the carbon leakage list receiving carbon leakage protection in the form of free allowances (for direct CO₂ emissions) and compensation for indirect CO₂ emissions costs (embedded in the electricity bills). Eurometaux has engaged with the EC on its planned CBAM, proposing alternative carbon leakage provisions to the CBAM that protects electro-intensive industries and raising awareness of the complexity of costs from indirect emissions.

International Copper Association

The International Copper Association brings together the global copper industry to support markets for copper while making a positive contribution to the delivery of UN SDGs.

Its advocacy strategy focuses on health, environment, climate change mitigation and adaptation, sustainable energy and technology. Its approach ensures that the copper industry maintains its license to operate and has fair market access for its products through proactive advocacy toward government and regulators.

Jointly with the United Nations Environment Programme and the Natural Resources Defense Council, the International Copper Association is leading United for Efficiency, a global effort that supports developing countries and emerging economies to move their markets to energy-efficient appliances and equipment. The International Copper Association is also involved in the Three Percent Club, a collaboration of governments and organisations committed to putting the world on a path to 3% annual efficiency improvements.

In Europe, the International Copper Association is active in promoting the role of copper in the EU's climate change agenda.

Nickel Institute

The Nickel Institute is the global association of leading primary nickel producers. It encourages markets for new and existing nickel applications and undertakes scientific research relevant to human health and the environment.

It promotes the long-term use of nickel to contribute to a sustainable future.

The Nickel Institute supports the aims of the Paris Agreement and UN SDGs. It promotes nickel's role in addressing climate change as part of the solution for a low carbon economy and in delivering the UN SDGs through nickel's contribution to economic development. It reflects this position in its lobbying activities.

While nickel production is energy intensive, its use in a wide range of applications that significantly reduce generation of greenhouse gases during their use outweighs this intensive energy use. For example, nickel is a major cathode material in lithium ion batteries used in electrical vehicles. It is also widely used in different renewable energy technologies, such as hydropower, wind, geothermal, solar, biomass and ocean wave energy.

The Nickel Institute's advocates for full lifecycle thinking when assessing materials and technologies and makes data and technical information available. It works with decision makers and key actors in the value chain to ensure that they understand the importance and benefits of nickel-containing materials and make informed public policy and materials choices from a sustainability perspective. A competitive European nickel industry supports the delivery of the Green Deal. However, if non-EU nickel-producing regions do not face similar energy costs and standards, then Europe's competitiveness requires compensation for its nickel producers for the indirect CO₂ costs incurred by increasing electricity prices.

Through Eurometaux, the Nickel Institute lobbied for state aid for indirect CO₂ emission costs to prevent carbon leakage and support investment in the decarbonisation of its processes. To support the Nickel Institute's advocacy efforts, Nikkelverk, Glencore's Norwegian nickel refiner, provided data and met with Norwegian and EU officials to encourage the continued availability of state aid for nickel production.

South Africa

Key policy developments

South African climate change legislation has been driven by two arms of government, the National Treasury and the Department of Environment, Forestry and Fisheries (DEFF). In 2018, DEFF mandated compulsory greenhouse gas (GHG) reporting and mitigation planning and in 2019, the National Treasury implemented a carbon tax for emitters above a certain threshold. DEFF is currently preparing general climate change legislation to bring associated regulations under a single act that also includes carbon budgeting, sectoral targeting amongst others.

The National Climate Change Response Policy (NCCRP) sets out a plan for an effective national climate change response that ensures a long-term just transition to a climate resilient and lower carbon economy and society. The National Climate Change Adaptation Strategy (NCCAS) underpins the delivery of the Policy through establishing a common vision of climate change adaptation and resilience as well as outlining priority areas for achieving the vision. The NCCAS aligns with South Africa's commitment to the goals of the Paris Agreement.

South Africa has also implemented, in line with the NCCRP, a mitigation system with various mitigation policy instruments such as carbon budgets and pollution prevention plans, which are referenced as mitigation plans in the government's developing climate change bill in the making.

The Carbon Tax Act, ratified in 2019, supports the ambitions of the Policy through a tax on CO₂ equivalent of greenhouse gas emissions. It has a polluter-pays principle that incentivises firms to adopt cleaner technologies. During its first phase, which runs until 31 December 2022, carbon tax for electricity and fuel are passed through to the consumer, while companies pay an environmental levy on electricity which is set at the cost of carbon tax. As such, carbon tax is also applied to scope 2 emissions. Its second phase will reflect the findings of a review of progress in reducing GHG emissions in line with South African's NDC commitments.

South Africa's Integrated Resource Plan (IRP) was updated in 2019 and specifies how the nation transitions to a lower-carbon economy by changing its electricity generation technology mix to increase renewables and retire coal assets. The IRP is an important factor for grid stability and reducing emissions. The IRP projects the electricity tariff, as well as long-term tariff projections.

Our activities

We have directly inputted into the work of the Energy Intensive Users Group (EIUG), Business Unity of South Africa (BUSA), Ferro Alloys Producers Association (FAPA) and Minerals Council of South Africa (MCSA) work on the quality and affordability of energy, which has received ministerial and industry recognition. Glencore is seen as an active and engaged member of various advocacy groups on the security of electricity supply and affordable tariffs.

While we are supportive of the South African government's efforts to address climate change, we are calling for clarity and certainty on the methodologies used in key legislation, such as the carbon tax and carbon budget. We are an active member in the forums that provide constructive input to the South African government in developing enabling legislation and implementation tools to address climate change.

Through our membership of the EIUG and FAPA we have participated in a number of multilateral engagements on the IRP-related industry energy tariff pricing with Department of Mineral Resources and Energy (DMRE), the state-energy provider (Eskom), National Energy Regulator of South Africa (NERSA) and MCSA.

Glencore participates in the environmental policy committees of MCSA, FAPA and BUSA. The members of these organisations' environmental policy committees regularly collaborate on a range of topics, including co-ordinated inputs into the development of climate change related policies. These organisations also utilise various platforms to engage with and lobby government on taking into consideration business and industry interests during policy development.

Astron Energy, part of our oil commodity department, has, through its membership of the South African Petroleum Industry Association (SAPIA), participated in round tables and meetings with government on climate change topics. These have included meeting with the DMRE on a carbon tax pass-through mechanism and the DEFF on proposed greenhouse gas performance guidelines for the oil and gas sector.

It has also attended BUSA and DEFF bilateral events on potential analysis and systems for mitigation, carbon budgets and integrated mitigation.

Astron Energy participated in a pilot of South Africa's online greenhouse gas reporting system.

Active industry organisations

Business Unity South Africa (BUSA)

BUSA represents South Africa's private sector and its members include corporate representative organisations, chambers of commerce and industry, professional organisations and corporate members. While Glencore is not a direct member of BUSA, its membership of MCSA and SAPIA give it access to BUSA activities and the ability to input into its work streams.

BUSA has a formal position on carbon tax and carbon budgets that reflects those of its members, including those mentioned above. It engages with the DEFF, National Treasury and South African Regulatory Service on alignment between these Departments for phase 2 of the carbon tax and budgets.

As a member of BUSA's working group on a just energy transition for South Africa, Glencore represents the interests of our ferroalloys business, as well as those of FAPA and MCSA. We are also active in a number of BUSA task teams looking at just transition and skills development, electricity and energy policies, and energy tariffs. Our inputs into these work streams reflect our recognition that a multi-stakeholder approach is essential for achieving the goals of the Paris Agreement.

Energy Intensive Users Group (EIUG)

The EIUG is an association of energy intensive consumers whose members account for over 40% of the electrical energy consumed in South Africa. The EIUG has significant technical expertise on energy matters. It is a respected and non-partisan organisation dedicated to working towards a sustainable energy supply industry.

Through the EIUG, we are taking part in a technical task team for large industry power users to input into the update of the regulatory power quality standard (NRS 048) to enable it to reflect the current electricity supply industry, economic situation and the need for a just transition. The task team also considers the role of renewable energy and independent power producers.

While not a direct member of BUSA, Glencore participates in one of its working groups through our membership of EIUG. This working group is looking at tariffs and renewable energy.

Ferro Alloys Producers Association (FAPA)

FAPA is an association of ferroalloys producers and is mandated by its members to call for the alignment of the carbon tax and carbon budgets instruments in phase 2 of the carbon tax. FAPA proposed a cap and trade system that aligns with the international cost of carbon, through taxing at a higher rate those emissions exceeding the carbon budget. This aligns with the goals of the Paris Agreement, while supporting the ferroalloys industry to continue production in South Africa. It calls for a transparent and methodological approach to allocating carbon budgets in alignment with South Africa's NDC and for ongoing engagements with the regulator.

FAPA also called for Scope 2 emission reduction projects to form part of emission reduction measures for carbon budget achievements. This approach reflects that there is little opportunity to reduce Scope 1 emissions in the ferrochrome production process. The industry's emission reduction opportunities lie in reducing its Scope 2 emissions. However, this is not currently accepted by the Pollution Prevention Plan as a means to mitigate carbon emissions.

This approach would also enable the funds currently accrued for carbon tax to be spent on carbon emission reduction projects. Glencore took a key role in developing this position.

Minerals Council of South Africa (MCSA)

MCSA is a membership-based association representing the South African mining industry. MCSA is mandated by its members to support and promote the mining industry in South Africa, through providing strategic services in various policy and technical aspects, including lobbying and advocacy on behalf of members. MCSA represents the South African mining industry on various initiatives and issues such as environment, economics, health, safety, employee relations, social and legal.

MCSA undertakes direct and indirect discussions with the South African government on a broad range of mining-related topics. During 2019, MCSA's climate change engagement largely focussed on overall mitigation system such as GHG reporting, carbon budgets, pollution prevention plans, carbon tax regulations and related instruments. It has advocated on the misalignment of the carbon tax and carbon budget's

proposed phased two methodology. MCSA was instrumental in proposing performance benchmarks for gold, platinum and coal, which enabled members to realise a 5% carbon tax allowance. MCSA is not against the carbon tax or budget, but is advocating for a streamlined single carbon management policy framework.

MCSA is part of the broader business constituency negotiating on the climate change bill at the National Economic Development and Labour Council, to ensure the needs of the mining industry are reflected in the development of the Act.

It is also inputting into the shaping of the implementation of the Climate Change Act, Pollution Prevention Plan, Mitigation Potential Analysis and Sector Emission Targets. It lobbies for an approach that reflects the needs of its member companies and proposes economically viable methods of alignment of the carbon tax with the international cost of carbon.

The aim of MCSA's advocacy activities is to seek long-term policy certainty that supports investment in renewable energy and secures a stable power supply, while ensuring a smooth implementation of legal and policy requirements that enable the continued operation of businesses through the transition to a lower-carbon economy.

South African Petroleum Industry Association (SAPIA)

SAPIA represents the main petroleum and liquefied petroleum gas companies in South Africa. It plays a strategic role in addressing a range of common issues relating to the refining, distribution and marketing of petroleum and LPG products, as well as promoting the industry's environmental and socio-economic progress. SAPIA fulfils this role by proactively engaging with key stakeholders, providing research information, expert advice and communicating the industry's views to government, members of the public and media.

These main petroleum and LPG member companies of SAPIA have stated their support for the goals of the Paris Agreement.

Astron Energy holds the chair of the SAPIA Advisory Committee for Climate Change and participates in the tax and economic regulations committee. It provides input into SAPIA activities on environmental legislation including the carbon tax and is involved in SAPIA's working group that advises the DMRE and DEFF on the development of an appropriate methodology to measure emission factors for liquid fuels.

Astron Energy provided input into the positions adopted by SAPIA, which include advocating for a pass-through mechanism for liquid fuels.

Appendix One – Our position on climate change

We support the global climate change goals outlined in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. We believe that only through collective global action can the world achieve the goals of the Paris Agreement and limit the impact of climate change. Demand for renewables technologies, and the metals and minerals required to build them, is expected to grow exponentially in response to the decarbonisation of global energy supply and electrification of key sectors, including mobility and its associated infrastructure.

We recognise global climate change science as laid out by the Intergovernmental Panel on Climate Change (IPCC) and the need to meet the goals of the Paris Agreement. The world requires a global transformation of energy, industrial and land-use systems to achieve these goals. As one of the largest diversified natural resource companies in the world, we can support the achievement of the goals by producing, trading and supplying the metals and minerals that are essential to the transition to a low-carbon economy and to meeting the needs of everyday life.

Under all credible scenarios, fossil fuels (coal, gas and oil) will continue to be a part of the global energy mix for decades. Facilitating investment into deploying low emission technologies, carbon capture and adaptation efforts should be a priority. As a member of the International Council on Mining & Metals, our assets considers their [Integrated Mine Closure: Good practice guide](#), which includes a focus on social provision in

closure planning, in their management systems. We recognise the need to collaborate with national and regional governments, as well as our communities, to ensure a just transition through the transition to a low carbon economy.

We recognise our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising our own operational emissions footprint. We believe that our contribution should take a holistic approach and have considered our commitments through the lens of our total emissions footprint. In line with the ambitions of the 1.5-degree Celsius (°C) scenarios set out by the IPCC¹, we target a 40%² reduction of our total (Scope 1, 2 and 3) emissions by 2035. Post 2035, our ambition is to achieve, with a supportive policy environment, net zero total emissions by 2050.

We have formulated our climate change strategy in partnership with key stakeholders. Our ongoing engagement activities are core to our commitment to inform stakeholders on our progress towards meeting our 2035 emissions target and our ambition to achieve net zero total emissions by 2050, as well as demonstrating our portfolio resilience under a range of scenarios.

¹ IPCC Special Report: Global Warming of 1.5°C; Table 2.4 – CO₂ from fossil fuels and industry (gross)

² Midpoint of 1.5°C pathway

Appendix Two – Industry organisations

The full list of the industry organisations in which we hold a membership and that were included in this review are set out below. The identified organisations were correct at the time of this review's publication:

Global

- Cobalt Institute
- Copper Alliance / International Copper Association
- Extractive Industries Transparency Initiative
- International Council for Metals & Minerals
- International Association of Independent Tanker Owners
- International Cadmium Association
- International Chromium Development Association
- International Energy Agency – Coal Industry Advisory Board
- International Lead Association
- International Manganese Institute
- International Molybdenum Association
- International Zinc Association
- The Iron Platform
- Lower Olefins and Aromatics Reach Consortium
- Maritime Anti-Corruption Network
- Molybdenum Consortium
- Nickel Institute
- Partnering Against Corruption Initiative
- Vanitec
- World Coal Association

Africa

South Africa

- African Refiners and Distributors Association
- Association of Oil Operators of Chad
- Business Unity South Africa
- Chamber of Mines of Zambia
- CoalTech Research Association
- Energy Intensive User Group
- Engineering Council of South Africa
- Ferro Alloys Producers Association
- Minerals Council South Africa
- Mine Ventilation Society of SA
- Mine Water Coordinating Body
- Mufulira Chamber of Commerce
- NAPCoF
- South African Council for Natural Scientific Professions
- Southern African Institute of Mining and Metallurgy
- South African Coal Managers Association and associated sub associations (SACEA, SACAFMA, SACHRA, SACESHA)
- South African National Institute of Rock Engineers
- South African Petroleum Industry Association

Zambia

- Association of Zambian Mining and Exploration Companies
- Engineering Institution of Zambia
- Kitwe and District Chamber of Commerce and industry

Australia

- COAL21 Fund (formerly ACALET - Australian Coal Association Low Emission Technology Fund)
- Minerals Council of Australia
- NSW Minerals Council
- Queensland Resources Council
- Republican Association of Ore mining and Mining and Processing Enterprises
- Western Australian Chamber of Mines & Energy

Europe

Belgium

- Aluminum REACH consortium
- Eurometaux
- REACH Antimony
- REACH Cadmium
- REACH Cobalt Consortium
- REACH Copper Consortium
- REACH Lead consortium
- REACH Nickel Consortium
- REACH Precious Metals
- Vanadium Consortium
- REACH Zinc
- Sulphuric acid REACH consortium

Germany

- GDB (Non-Ferrous Metals Association)
- Wirtschaftsvereinigung Metalle (Non-Ferrous Metals Association)
- VCI (Chemicals Industry Association)

Italy

- Assomet (Non-Ferrous Metal Association)
- Confindustria (National Industrial Association)

Spain

- AEEG (Association of Companies of Intensive Electricity Consumption)
- TEDFUN (Technical Association for Die Casting)

Switzerland

- SwissHoldings

North America – Canada

- Associations of Major Power Consumers of Ontario
- Association Minière du Québec
- Canadian Chamber of Commerce
- Canadian Mining Innovation Council
- Canadian Institute of Mining, Metallurgy and Petroleum
- Conseil du Patronat du Québec
- Conseil Patronal de l'Environnement du Québec
- Mining Association of Canada
- Ontario Mining Association

South America

Argentina

- Argentine Mining Chamber (CAEM), Minera Aguilar
- Catamarca Economic Development Agency
- Catamarca Mining Chamber
- Catamarca Industrial Union
- Jujuy Mining Chamber
- San Juan Mining Chamber
- Tucumán Industrial Union

Brazil

- Brazilcom

Chile

- Chile Mining Council

Colombia

- Colombian Mining Association
- Industry Association - ANDI (in the process of becoming members)

Peru

- Camara de Comercio Americana del PERU (MCHAM)
- Camara de Comercio de Lima
- Comité de Operaciones del Sistema Interconectado Nacional
- Sociedad Nacional de Minería, Petróleo y Energía - SNMPE

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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.

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

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