

AUSTRALIA TAX FACTSHEET

October 2018

Glencore employs 16,300 people in Australia across operations in Coal, Copper, Agriculture, Nickel, Oil and Zinc. We are proud of the contribution we make in Australia, which extends far beyond our tax payments to State and Federal Governments.

In 2017, our operations contributed \$15.1 billion to the regional, state and national economies through the procurement of goods and services, capital and sustaining investment, payment of wages, taxes and royalties; and partnerships with community groups.

Our operations also provide vital support to many hundreds of local businesses – both directly and indirectly involved in the natural resources sector – largely in rural and regional areas, in good times and bad.

TAX AND ROYALTY PAYMENTS

In 2017, Glencore paid more than \$1.4 billion in taxes and royalties to Federal and State Governments in Australia.

We paid \$382 million in corporate income tax in relation to our 2017 financial year and expect our tax liability for the 2018 financial year to be materially higher given the current strength in commodity prices and profitability of our Australian business.

Since 2008, Glencore's operations in Australia have:

- Invested over \$23 billion in building new operations and sustaining operations, plants and infrastructure. This equates to an average rate of investment of \$2.3 billion every year or \$6.3 million a day, every day for the past ten years.
- Paid about \$13 billion in taxes and royalties to Australian Federal and State Governments, including \$2.3 billion in corporate income tax.
- The price of all these commodities improved considerably during 2017 after a five year downturn (see commodity price chart over the page), marked by low prices and low profitability. The improved commodity market and prices was reflected in Glencore's profitability in Australia, and hence corporate tax liability.
- Mining royalties are generally calculated and paid as a percentage of revenue per unit (tonne, ounce) of product sold.

INCOME TAX PRINCIPLES

When it comes to our tax and royalty contribution, it is important to note:

- Corporate income tax is paid on taxable profits, not on revenue.
- Our business is cyclical, highly capital intensive and our investment is long-term in nature.
- Our profitability in Australia is generally driven by the price of our core commodities: coal, copper, nickel and zinc.

COMPLIANCE

Glencore complies with all of our tax and financial reporting obligations in Australia. Globally we disclose information about our payments to governments on an annual basis and we participate in numerous tax transparency initiatives including the European Union Directive under which we disclose all tax and royalty payments greater than €100,000.

\$23 billion

Investment in Australian projects and operations since 2008 (outside of Mergers and Acquisitions)

\$13 billion

Paid in taxes and royalties by Glencore operations to Australian governments since 2008

\$382 million

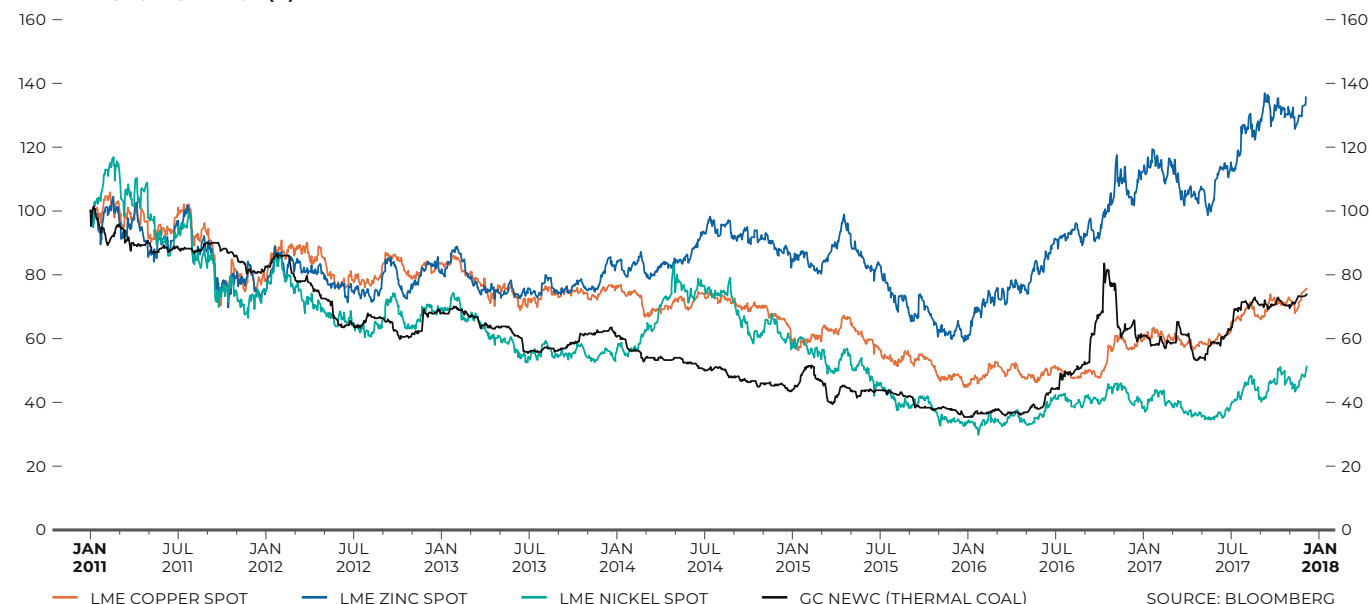
Corporate income tax paid by Glencore operations in Australia in relation to our 2017 income tax liability

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DAILY COMMODITY PRICE RELATIVE CHANGE

INDEXED TO 1 JANUARY 2011 (%)



In 2017, Glencore contributed more than \$15.1 billion to regional, state and national economies in Australia.

16,300

Employees and contractors

\$1.9 b

Wages and salaries

\$10.7 b

Spent on goods and services

\$1.4 b

Taxes and royalties paid to state and federal governments

\$1.1 b

Capital and sustaining investment

\$9 m

Regional community investment initiatives

Glencore is listed on the London Stock Exchange, with a secondary listing in Johannesburg. As such, we are subject to all LSE listing rules and disclosures. We are also subject to numerous tax transparency regimes including:

TRANSPARENCY REGIME	DATA REPORTED
1. Annual Report	Income tax expense, cash tax paid
2. Sustainability Report	Taxes and mining royalties paid
3. ATO disclosures	Total income, taxable income and tax payable for companies with revenue of at least \$100 m
4. EU Directive	Tax and royalty related payments greater than €100,000 to all Governments
5. OECD country by country filings	Income, taxes and business activities by country, legal entity details and employee numbers
6. Extractive Industries Transparency Initiative (EITI)*	Tax and royalty related payments to participating Governments

*The EITI project is a voluntary initiative

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