

AUSTRALIA TAX FACTSHEET

July 2019

In 2018, Glencore paid more than **\$2.2 billion** in taxes and royalties to Federal and State Governments in Australia. Our total corporate income tax liability in Australia for the 2018 financial year was more than **\$1 billion**.

Since 2008, Glencore's operations in Australia have paid over **\$14 billion** in taxes and royalties to Australian Federal and State Governments, including **\$2.5 billion** in corporate income tax.

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 highly 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.
- The price of all these commodities began to improve considerably during 2017 after a five-year downturn (see commodity price chart over the page), marked by low prices and low profitability.
- Commodity prices – in particular coal prices – remained strong during 2018, and this is 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.

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.

Glencore intends to sign up to the Board of Taxation Corporate Tax Transparency Code for the 31 December 2018 financial reporting year onwards.

\$14 billion

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

\$1 billion

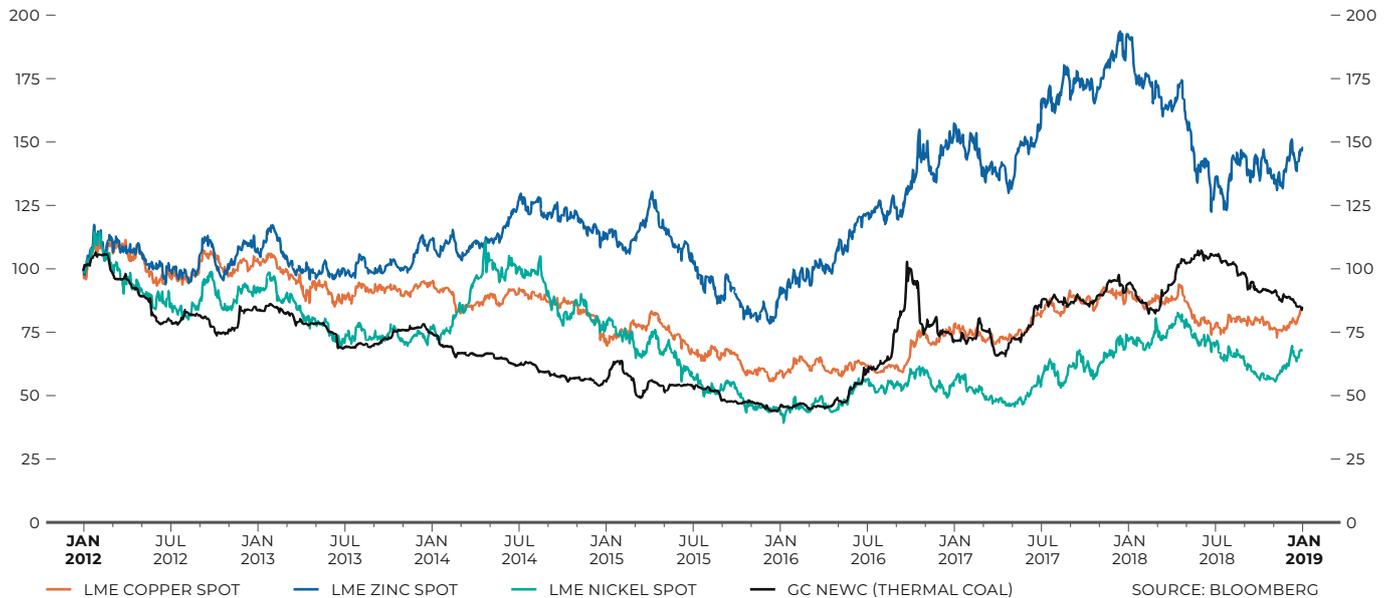
Corporate income tax paid by Glencore operations in Australia in relation to our 2018 income tax liability

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March 2019

DAILY COMMODITY PRICE RELATIVE CHANGE

INDEXED TO 1 JANUARY 2012 (%)



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
7. Voluntary Tax Transparency Code*	Income tax reconciliation, taxes paid, material temporary differences, related party dealings

*Voluntary initiatives

FOR FURTHER INFORMATION PLEASE CONTACT:

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