Economic contribution of Glencore in Australia 2023

pwc

Disclaimer

This report is not intended to be used by anyone other than Glencore Australia Holdings Pty Ltd (Glencore).

We prepared this report solely for Glencore's use and benefit in accordance with and for the purpose set out in our Statement of Work with Glencore dated 14 November 2022. In doing so, we acted exclusively for Glencore and considered no-one else's interests.

We accept no responsibility, duty or liability:

- to anyone other than Glencore in connection with this report
- to Glencore for the consequences of using or relying on it for a purpose other than that referred to above.

We make no representation concerning the appropriateness of this report for anyone other than Glencore. If anyone other than Glencore chooses to use or rely on it they do so at their own risk.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute
- even if we consent to anyone other than Glencore receiving or using this report.

Liability limited by a scheme approved under Professional Standards legislation.

Foreword

Glencore, one of the world's largest diversified natural resource companies, has been a significant contributor to the Australian economy for many years. The company's Australian footprint spans 22 operational coal, copper, lead-zinc and nickel-cobalt mines, across four states and territories.

Collectively, in 2023 Glencore's mining operations delivered a $27.4 billion contribution to national Gross Value Added (GVA). This represents the total value of goods and services produced in Australia as a result of Glencore's activities and the flow-on, or indirect, value generated from economic activity by Glencore's employees and suppliers. Glencore's total expenditure in 2023 was $23.5 billion, of which around half ($11.4 billion) represented spending on nearly 7,000 third-party suppliers to Glencore's operations around Australia – including mining contractors, equipment repair and maintenance, consumables such as explosives and fuel, electricity, safety equipment, and goods and services for mine rehabilitation.

Glencore activities support over 63,000 jobs in Australia. Glencore's mining operations and corporate functions employed 17,461 people as of December 2023 and Glencore paid total wages of around $2.4 billion across the year. The balance represents indirect employment attributable to Glencore, both in regions which host Glencore's mining operations, and throughout the country through various supply-chain connections and flow-on economic activity.

For companies operating in the resources sector, commodity price volatility is nothing new. Prices for different products can fluctuate significantly, in line with global trends impacting demand and supply. In 2023, prices fell across all of Glencore's key commodity markets, including coal (-65%), nickel (-43%), zinc (-24%) and copper (-7%,).[1] This meant that Glencore's revenue was lower ($32 billion in 2023, down from $44 billion in 2022), with a corresponding reduction in key indicators such as Glencore's contribution to GVA ($27.4 billion in 2023, down from $41.0 billion in 2022).

However, Glencore's "physical" operations were more stable. In 2023 Glencore remained Australia's largest or second-largest producer of coal, cobalt, zinc, lead and silver. Correspondingly, the economic contribution attributable to Glencore's spend on employees and suppliers tends to "trade through" cycles in commodity prices, reflecting the business' scale, maturity of operations and long-term planning horizons.

Glencore continues to produce the strategic and critical minerals required to support the adoption and development of new technologies critical to the global energy transition – namely zinc, copper, nickel and cobalt. Total spend on suppliers across these commodities remained consistent through 2022 and 2023 at approximately $3 billion.

Glencore's aggregate tax contribution – the amount spent on taxes and royalties, across local, state and federal governments – increased to $8.2 billion in 2023, up around 10% from the prior year. This increase in part reflects the timing lag between Glencore's earnings and taxes being paid. For context, the total government contributions of Australia's mid-tier coal miners in FY23 was $6.4 billion.[2]

Glencore's contribution to the Australian economy is significant, diverse, and extends beyond the resources sector. Glencore has been a significant foundation for economic activity across Australia, including in regions which are not directly host to core resource extraction and processing activities. While Glencore is an obvious and material economic contributor in key regions – Mackay and Mount Isa in Queensland, the Hunter Valley and Singleton in NSW, for instance – Glencore's economic footprint extends to 7 in 10 local government areas in Australia. Looking forward, Glencore is well positioned to contribute to Australia's energy transition and the associated $170 billion economic prize if Australia can capitalise on our first-class endowments of copper, zinc, nickel, cobalt and other energy transition minerals.[3]

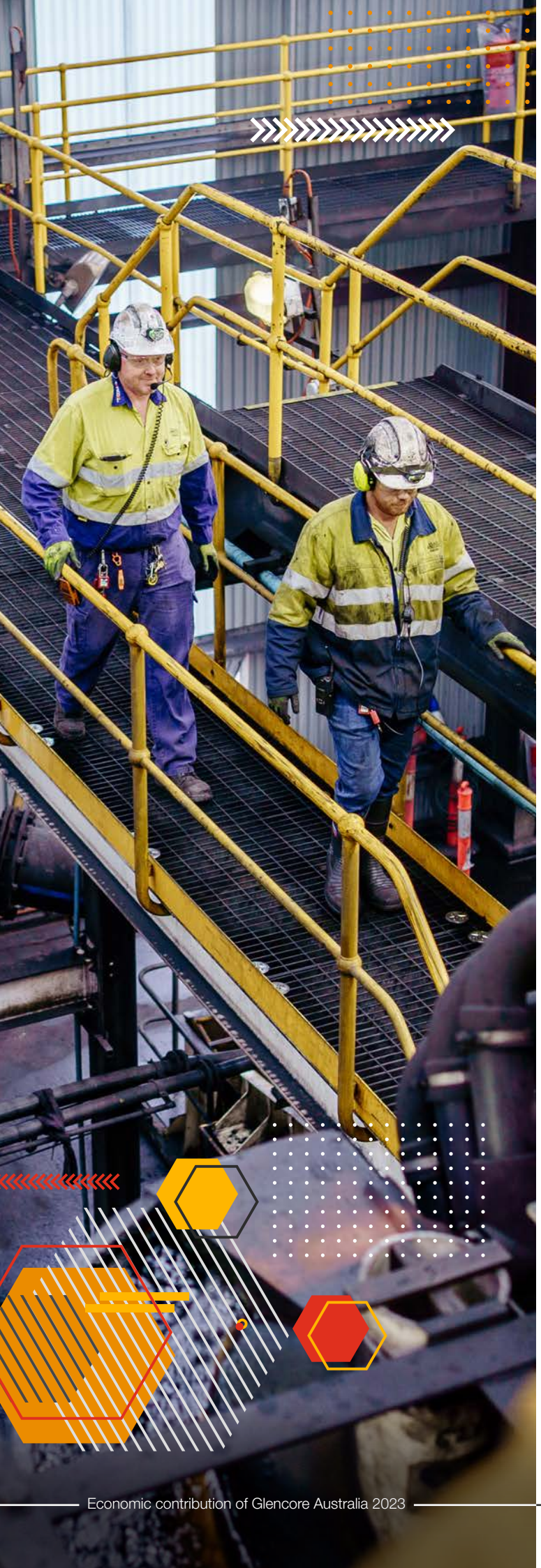
$11.4bn
spend on suppliers

6,998
suppliers supported across Australia

17,461
jobs supported through Glencore's mining operations

1 St Louis Fed, Economic Data, Global price of Coal, Zinc, Copper and Nickel.
2 PwC (2023) Aussie Mine 2023: Critical Choices
3 PwC (2023) Aussie Mine 2023: Critical Choices

Contents



01 Executive Summary

Glencore is one of Australia's most diversified mining companies, and has operated in Australia for over 25 years.[4] Today, Glencore has 22 operational mines across four Australian states and territories, producing coal, copper, zinc, lead, nickel, cobalt and silver. Glencore engaged with suppliers located in 374 local government areas (LGAs), representing 70% of all LGAs in Australia.

Glencore's direct impact in 2023

Total spend

$23.5bn

- $12.9bn on suppliers[5]
- $2.4bn on wages
- $8.2bn on taxes and royalties

Suppliers supported

6,998

Jobs supported

17,461
Total (at year-end)

- 12,518 (72%) Direct employees
- 4,943 (28%) Contractors

Source: PwC (2024) analysis of Glencore direct contributions in 2023

4 Glencore, Our History
5 Glencore's total spend on suppliers was $12.9bn, of which $1.5bn was on overseas suppliers. Only domestic supplier spend of $11.4bn was considered in the calculation of economic contribution in Australia.

02 Introduction

Glencore is a diversified natural resources company operating in Australia. In this report we identify Glencore's contribution to the Australian economy in 2023. This includes Glencore's:

- direct contributions to the Australian economy, which represents the economic value from profit, wages and employment produced, as well as the net taxes and royalties paid.
- indirect contribution to the Australian economy, which represents the economic value from employment of sub-contractors and demand for goods and services from suppliers throughout Glencore's supply chain.

For the purposes of this study, we use an economic model of Australia to estimate key economic variables for regions across the country, including direct and indirect employment and direct and indirect economic impacts (measured as Gross Value Added (GVA)). These results form the basis for understanding Glencore's economic contribution in Australia in 2023.

We review Glencore's direct impact on the Australian economy in terms of:

- revenues received
- people employed
- contractors and suppliers engaged
- taxes, royalties, local council payments, and donations paid.

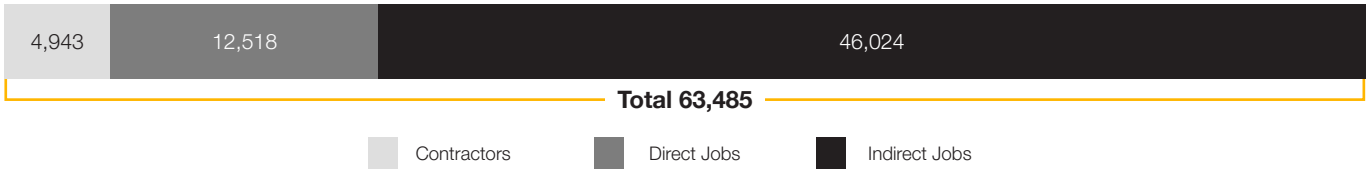
Each of these data points is provided by Glencore along with a corresponding location for the activity. These form key inputs to this analysis. A detailed explanation of our approach and methodology and the data used to develop the estimates is outlined in the Appendix.

Glencore's economic contribution in Australia

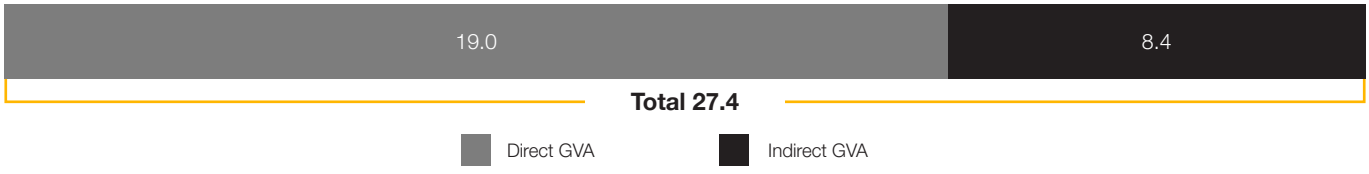
Glencore's spend across suppliers, employment and taxes and royalties have been used to estimate its total economic contribution to the Australian economy in 2023.

Total economic contribution of Glencore in Australia is determined by combining direct and indirect contributions. These values are outlined below for the number of Australian jobs supported by Glencore, and Glencore's contribution to Australian GVA.

Number of Australian jobs supported by Glencore



Glencore's contribution to Australian GVA ($bn)



In total, Glencore's operations and expenditures supported approximately **63,000 jobs** and contributed **$27 billion** to the Australian economy in 2023.

Glencore's procurement in Australia

Glencore purchases a wide range of goods and services across its Australian operations - both in areas directly associated with mining and indirect activities including rehabilitation and community partnerships.

Every year in Australia, Glencore's coal business purchases:

1,200km
of steel cable & rods
to support the strata (roofs) in underground mines. Laid end-to-end, this quantity of cables and rods would go from Sydney to Brisbane.

400,000
tonnes of bulk explosives

6,500
dung beetles
to support coal rehabilitation works in Queensland and New South Wales

4,000
giant off-road tyres at an average cost of $40,000 per tyre

$350+ million
worth of goods and services used for mine rehabilitation

Note: This is total rehabilitation spend for Glencore in Australia, including its coal, metals and minerals operations.

03 Glencore's Australian Operations

03 Glencore's Australian Operations

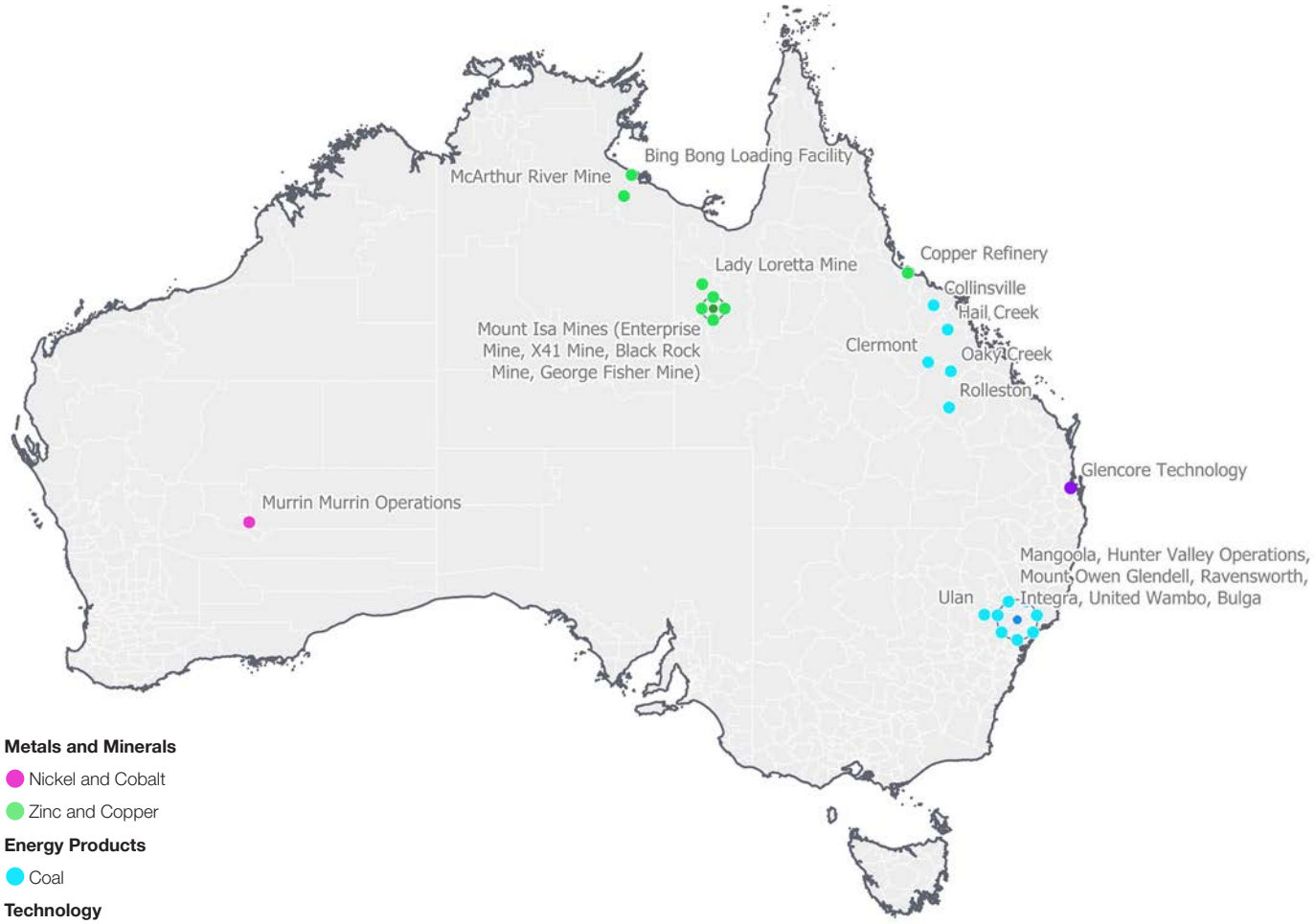
Glencore is one of Australia's most diversified mining companies

Glencore is one of Australia's most diversified mining companies. Glencore runs some of Australia's most well-known mining operations including Mount Isa Mines, which has been in operation since 1924.[6]

Today, Glencore operates 22 mines locally, producing coal, copper, zinc, nickel, cobalt, lead and silver. Mines are located in New South Wales, Queensland, Western Australia and the Northern Territory.

Glencore continues to invest in minerals exploration that could contribute to Australia's future critical mineral exports. This includes copper, zinc, nickel, cobalt and bauxite (the main ore of aluminium).

Location of Glencore's operations



Metals and Minerals

- Nickel and Cobalt
- Zinc and Copper

Energy Products

- Coal

Technology

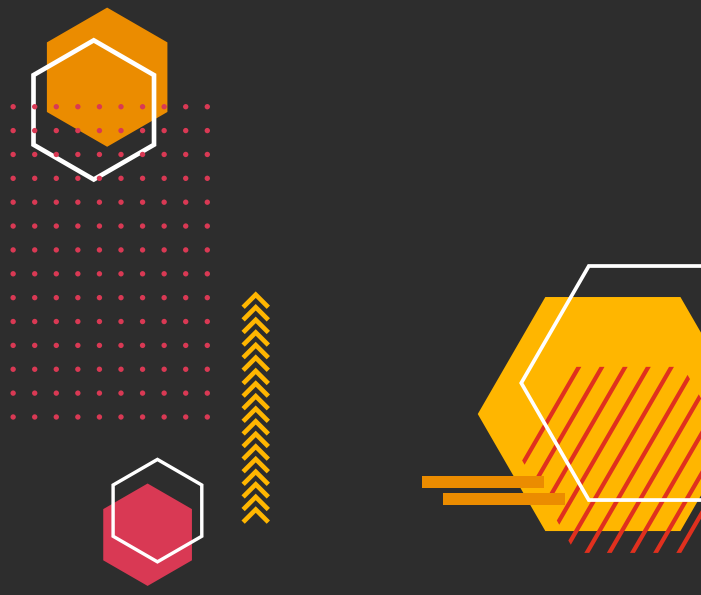
- Glencore Technology

Source: Glencore (2023) Map of operations

6 Glencore, Our History

Glencore's direct spend in Australia

Glencore`s direct socio-economic contribution mainly comprises its spend on goods and services from Australian-based businesses, payment of taxes and royalties to Australian governments and payment of wages and salaries to employees across its operations.



Glencore makes a substantial economic contribution in Australia with a total spend[8] in 2023 of:

$23,478m

17,461
Direct employees and contractors at year-end

6,998
Suppliers in Australia

$2,369 million
Total Wages Paid to Direct Employees Across Year

$11,400 million
Spend on Australian Suppliers

$1,541 million
Spend on Overseas Suppliers

$8,167 million
Total Spend on Taxes & Royalties[7]

Location	Number of direct employees and contractors at year-end	Number of Suppliers in Australia	Total Wages Paid to Direct Employees Across Year	Spend on Suppliers in Australia	Spend on Suppliers Overseas	Total Spend on Taxes & Royalties [7]	Total Spend [8]
Australia	**17,461**	**6,998**	**$2,369m**	**$11,400m**	**$1,541m**	**$8,167m**	$23,478m
Queensland	8,683	3,911	$1,071m	$5,597m	$535m	$3,252m	$10,456m
New South Wales	6,085	3,365	$1,065m	$4,701m	$714m	$4,589m	$11,069m
Northern Territory	1,226	927	$76m	$480m	$118m	$120m	$794m
Western Australia	1,467	673	$157m	$622m	$174m	$205m	$1,158m

Note: A number of suppliers are shared across different parts of Glencore's business in Australia.

Source: PwC (2024) analysis of Glencore supplier spend inputs in Australia.

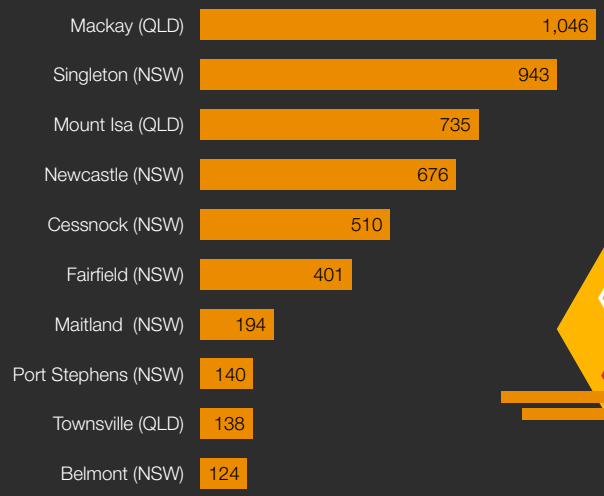
7 Local council, state government, federal government.
8 Spend on suppliers, wages paid to direct employees, community spend, total taxes & royalties.

Glencore's spend is widely shared across Australia

Beyond Glencore's 22 mines in Australia, the company also operates metals processing operations in Queensland, Western Australia and the Northern Territory.

In 2023, Glencore engaged with 6,998 unique suppliers all eight states and territories of Australia. Overall, Glencore paid $11.4 billion for goods and services provided by suppliers located in 374 local government areas (LGAs), representing 70% of all LGAs in Australia.

Top 10 regional LGAs by supplier spend ($m)



Glencore operates in

4

states and territories

Glencore engages with

6,998

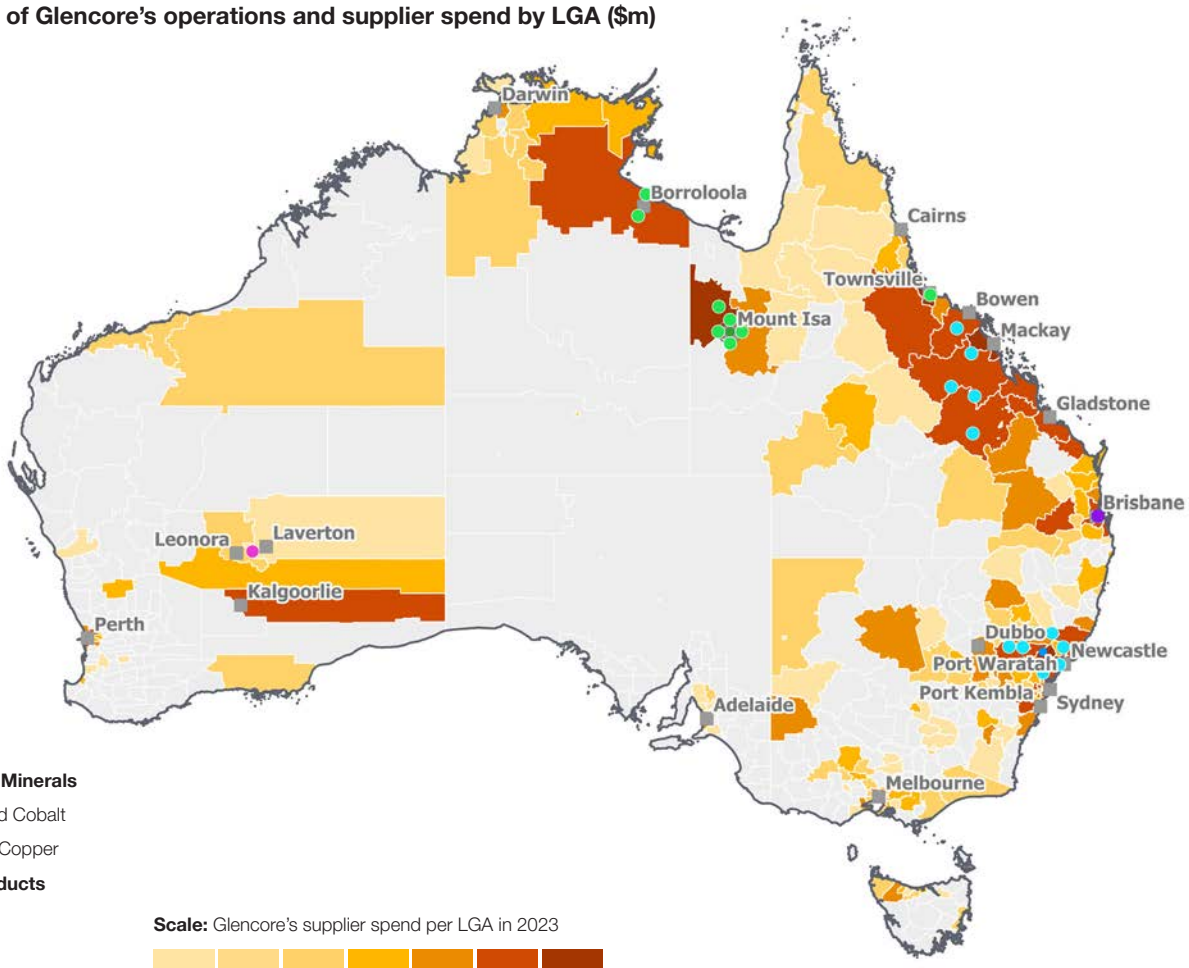
total suppliers

Suppliers are located in

374

LGAs across Australia

Location of Glencore's operations and supplier spend by LGA ($m)



Metals and Minerals

- Nickel and Cobalt
- Zinc and Copper

Energy Products

- Coal

Technology

- Glencore Technology

Scale: Glencore's supplier spend per LGA in 2023

$50k — $31m+

Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

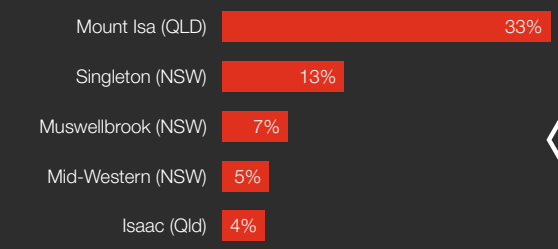
Note: Supplier spends below $50,000 in an LGA is not illustrated in the map above.

Glencore's direct employment footprints extend across Australia

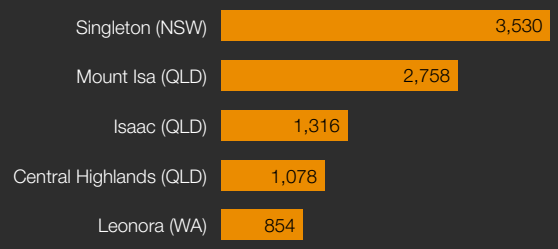
Glencore supported the employment of 17,461 direct employees and contractors (as of 31 December 2023) across all eight Australia states and territories.

Glencore has only two predominantly fly-in-fly-out (FIFO) sites: Murrin Murrin Operations (WA) and McArthur River Mine (NT). This means most of the company's employees and contractors live near or within driving distance of the mine sites, which helps support and invigorate local communities.

Top 5 LGAs by proportion of total LGA workforce comprised of direct Glencore employees (%)



Top 5 LGAs by number of direct employees[9]



9 LGAs by direct employment is based on location of operation

Glencore operates in

4

states and territories

Glencore employs or contracts

17,461

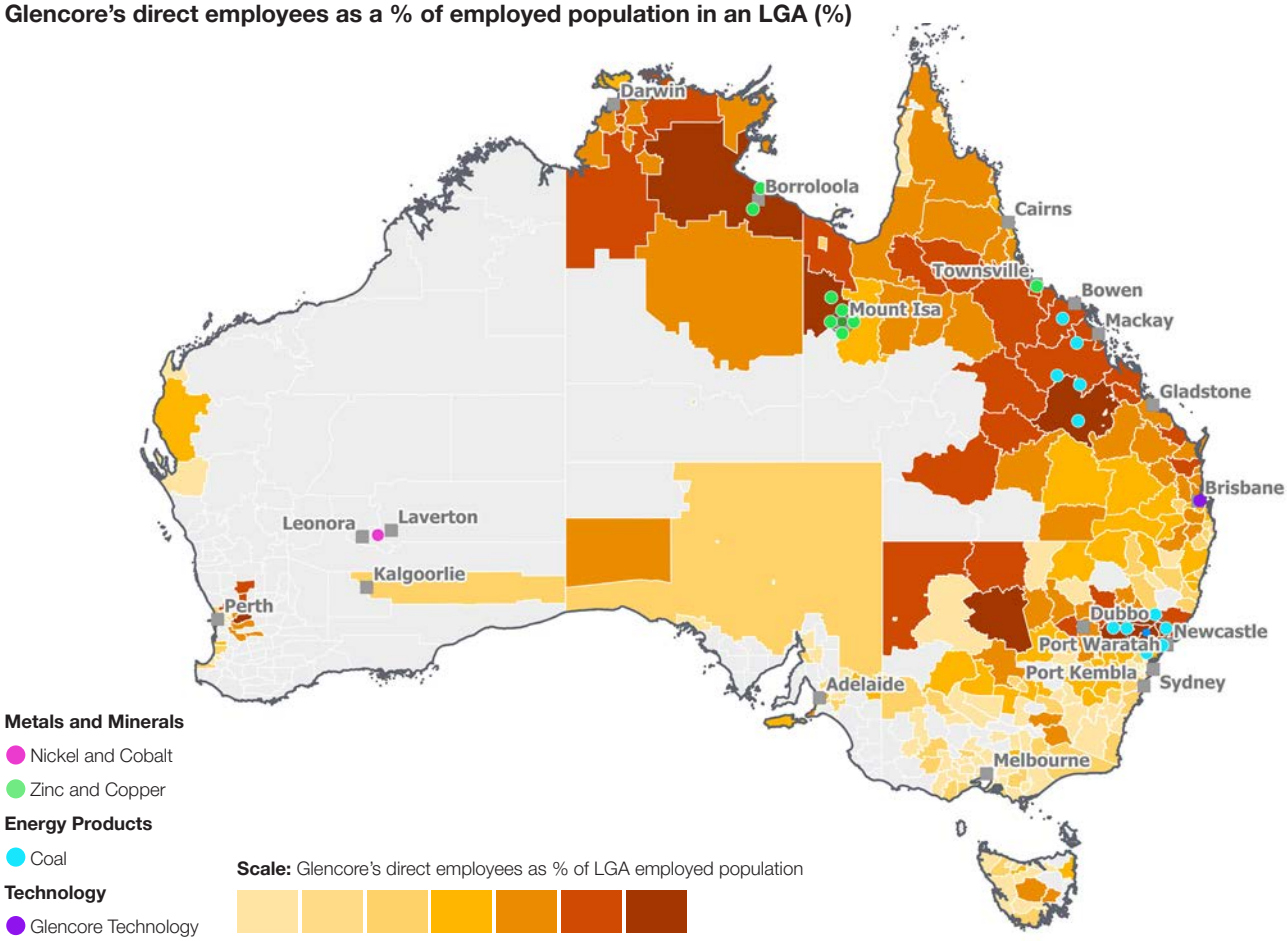
people

Employees are located in

353

LGAs across Australia

Glencore's direct employees as a % of employed population in an LGA (%)



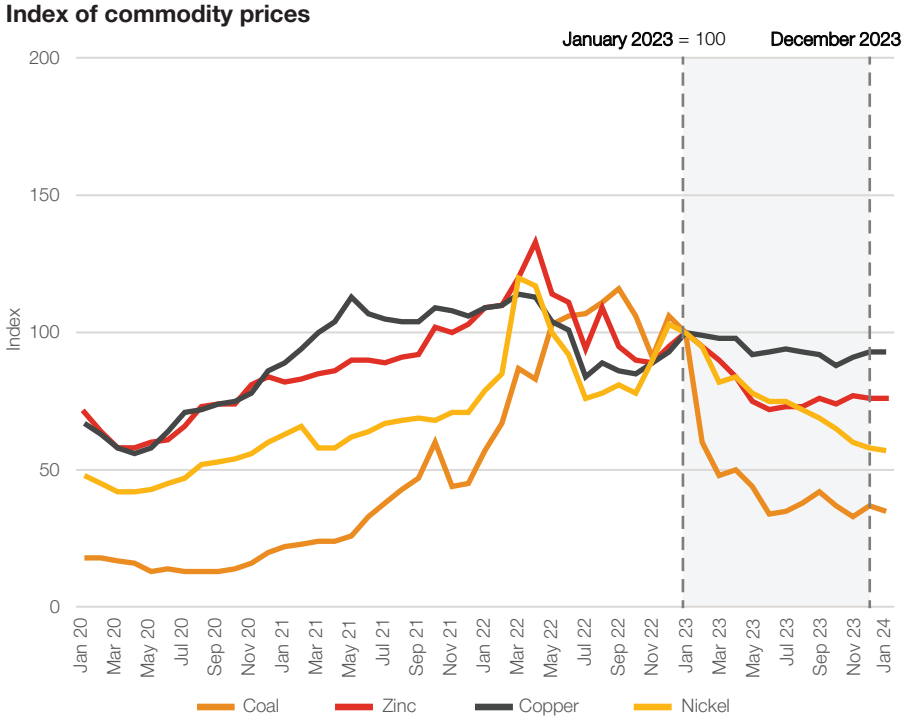
Source: PwC (2024) analysis of Glencore employee inputs in 2023

Glencore's place in a volatile global economy

As a major commodity marketer, producer and exporter, Glencore's business is impacted by global economic and geopolitical factors. 2023 saw price declines across all Glencore's key commodities, including coal (-65%), nickel (-43%), zinc (-24%) and copper (-7%).[10] These declines followed the record highs of 2022 as both prices and volatility fell.

The chart here outlines the fluctuations in commodity prices for coal, zinc, copper and nickel experienced from January 2020 to January 2024. The following table outlines the major factors driving market prices faced by Glencore in 2023.

Index of commodity prices



Source: St Louis Fed, Economic Data, Global price of Coal, Zinc, Copper and Nickel

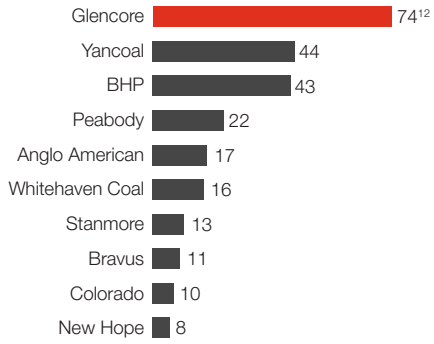
Factor	Description
Macroeconomic headwinds	• The anticipation of a slowing global economy, with concerns over inflation and rising interest rates in key economies such as the US and Europe, led to reduced demand for industrial metals and energy in 2023 outside of China. • In response to weaker price expectations, a number of non-Glencore nickel operations have announced plans to close operations. • A stronger US dollar, the currency commodities are typically priced in, made it more expensive for holders of other currencies to purchase commodities, dampening demand for imports from non-US economies. • However, Chinese demand for commodities continued to increase, supported by the energy transition and related infrastructure investment. This helped offset lower demand in developed markets, and kept most commodity prices at higher levels than during previous cyclical lows.
Supply conditions	• 2022 saw record commodity prices as the global economy rebounded sharply from the COVID-19 pandemic. • These price signals led to an increase in investment in supply across commodities including nickel and cobalt. Alongside a more tempered global economic outlook, this saw prices adjust downward in 2023.
Energy transition impacts	• For metals like copper and nickel, the anticipation of increased supply to meet future demand for cleaner, low emission technologies, alongside improvements in recycling and material efficiency (therefore reducing consumption per unit of output), moderated price expectations. In response to weaker price expectations, a number of non-Glencore nickel operations in Australia have announced plans to close. • While thermal coal has, and will continue to have, a role to play in energy markets globally for years to come, continued investment in cleaner, low emission technologies will see coal-fired power generation increasingly substituted for cleaner, low emission alternatives.

10 Federal Reserve Bank of St. Louis (2024) Global Prices for Coal, Zinc, Copper and Nickel. Percentage changes January 2023 – December 2023 reported.

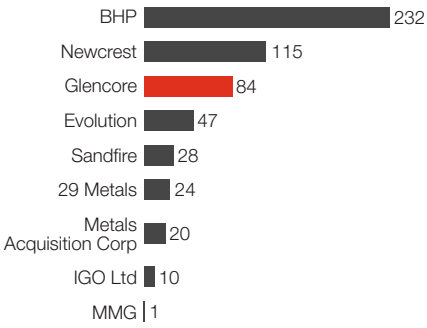
Australian commodity production by company

Glencore is a key contributor to Australia's minerals production, ranking as either the largest or second-largest producer of coal, cobalt, zinc, lead and silver in 2023.[11]

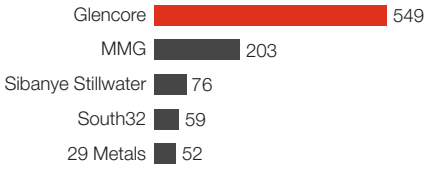
Coal (million tonnes)



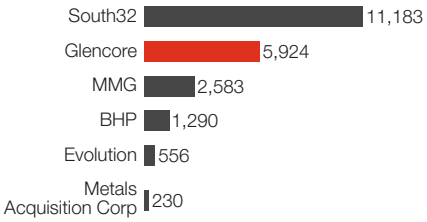
Copper (kilotonnes)



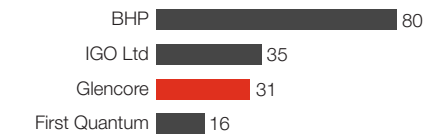
Zinc (kilotonnes)



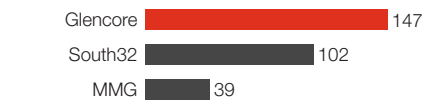
Silver (kilo ounces)



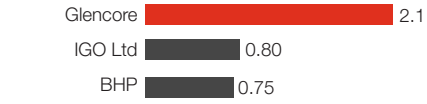
Nickel (kilotonnes)



Lead (kilotonnes)



Cobalt (kilotonnes)

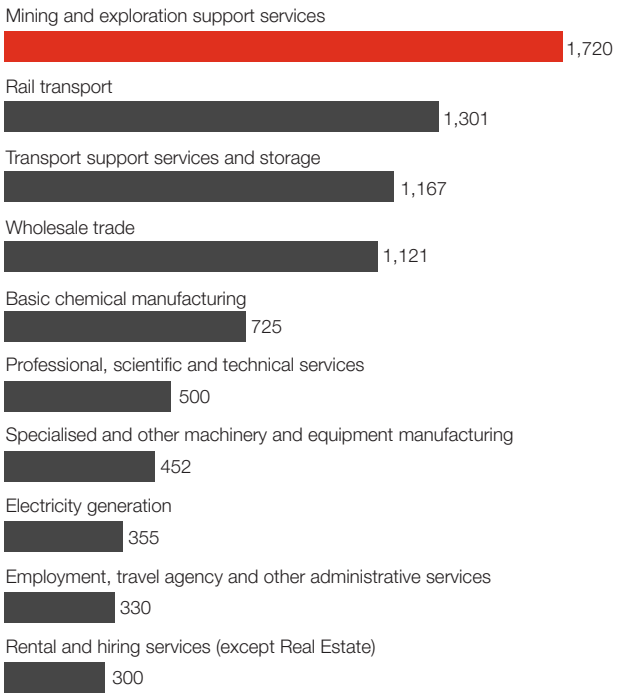


Source: Company reports and publicly available information, 2023. Note, there is some variation in how these values are reported including the reporting period (calendar year 2023 vs. FY23). The most comprehensive, contemporary data available at the time of writing has been is presented.

11 See chart source.
12 Glencore's share of its managed saleable production of 97 million tonnes (not including Joint Venture partners' share)

Glencore's supplier spend supports a diverse range of sectors

Top 10 industries of Glencore's Australian supplier spend in 2023 ($m)



Source: PwC (2024) analysis of Glencore supplier spend across Australia by industry

Glencore relies on nearly 7,000 suppliers across Australia, and more abroad.

Our analysis of the top 20% of suppliers identified suppliers from over 160 industries providing goods and services to Glencore. Our analysis of the top 20% of suppliers identified Glencore purchases a diverse range of products across areas both directly and indirectly associated with mining. This highlights the breadth of products, and associated supply chain and procurement complexity, required to develop and operate mine sites across Australia.

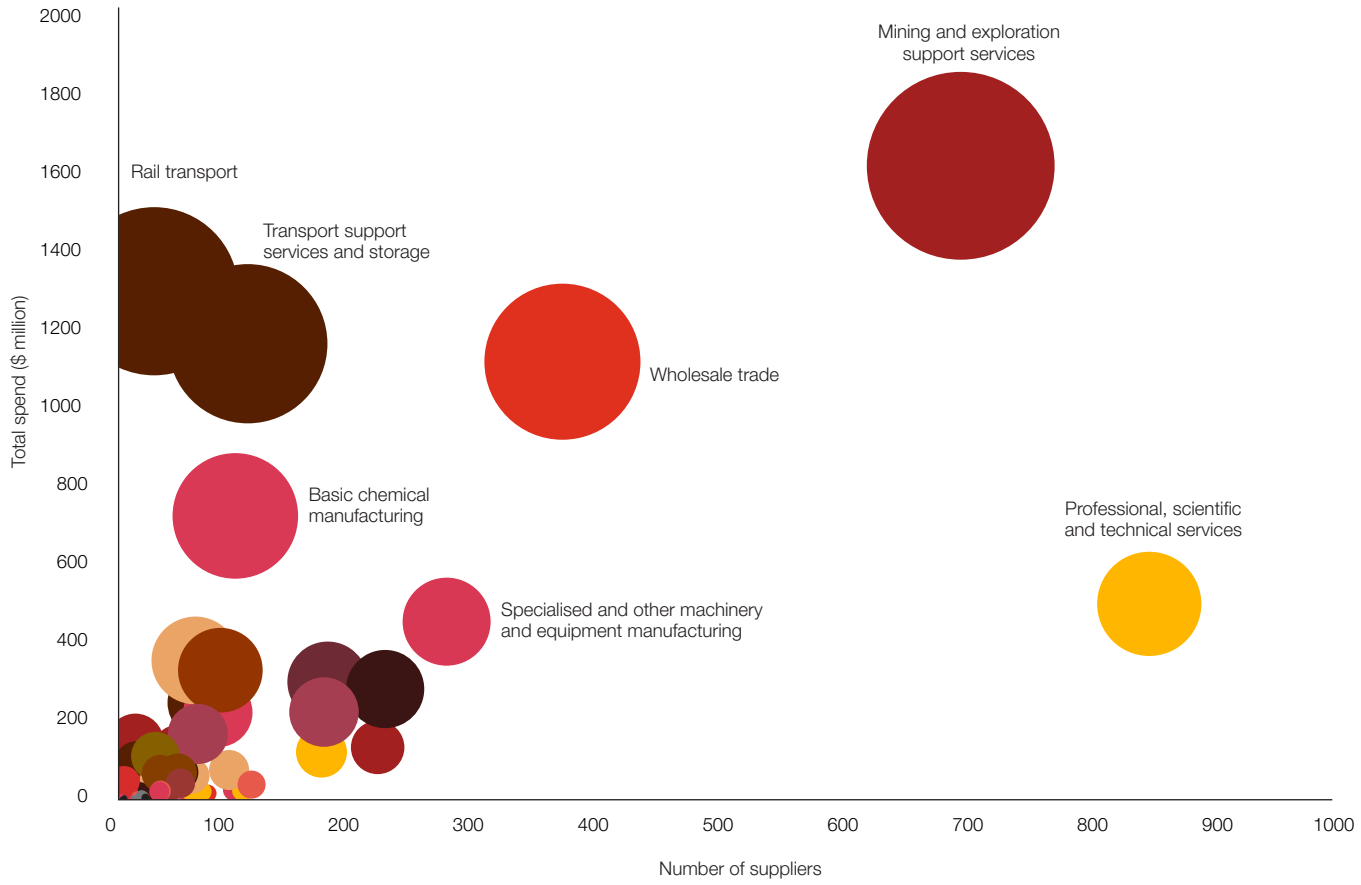
Glencore supports a broad range of industries

Glencore supports, and draws on the services of, suppliers from over 160 industries. This highlights the importance of the broader Australian economy to the operations of Glencore, and outlines the broad range of industries that Glencore contributes to through its direct and indirect contributions.

Key

- Mining
- Transport, Postal & Warehousing
- Wholesale Trade
- Manufacturing
- Professional, Scientific & Technical Services
- Electricity, Gas, Water & Waste Services
- Administrative & Support Services
- Rental, Hiring & Real Estate Services
- Other Services
- Construction
- Public Administration & Safety
- Financial & Insurance Services
- Accommodation & Food Services
- Retail Trade
- Information Media & Telecommunications
- Health Care & Social Assistance
- Education & Training
- Agriculture, Forestry & Fishing

Industry division

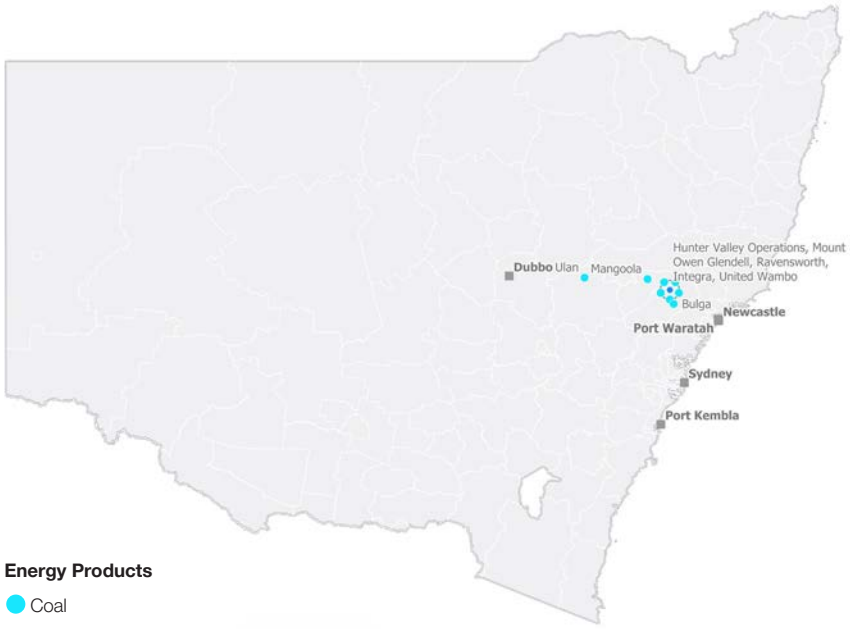


Bubble size is proportionate to total spend, and therefore equal to the y-axis value.

Source: PwC (2024) analysis of Glencore supplier spend by industry in 2023

Glencore's contribution in NSW

Glencore's NSW operations

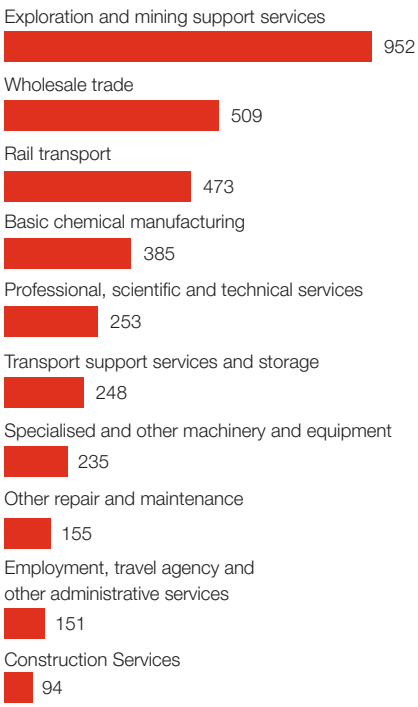


$4.7b

Glencore's total domestic supplier spend in NSW (41% of total domestic supplier spend)

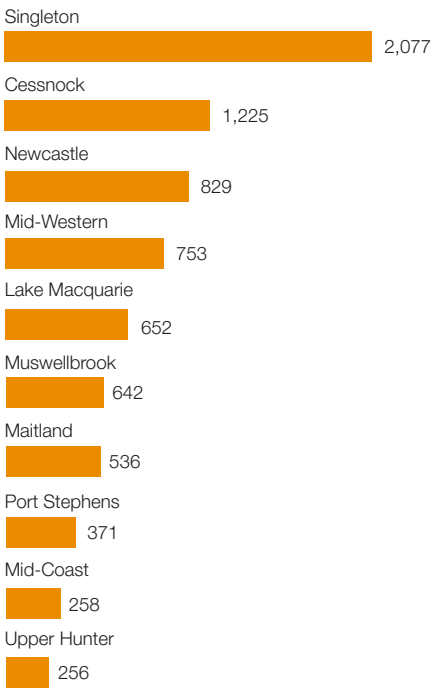
Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 10 supplier spend by sector ($m)



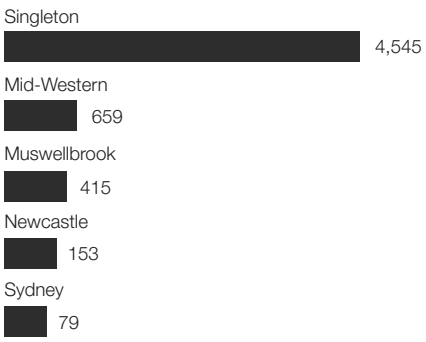
Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Top 10 regional LGAs by total economic contribution (GVA $m)



Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 5 LGAs by direct employees and contractors[13]

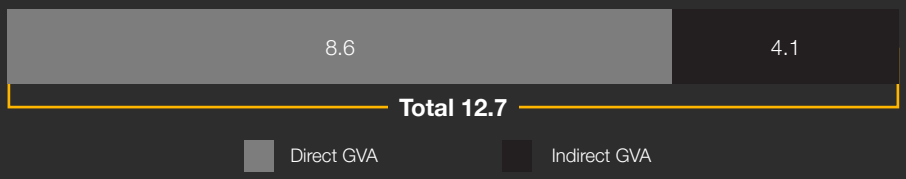


Source: PwC (2024) analysis of Glencore employee inputs in 2023

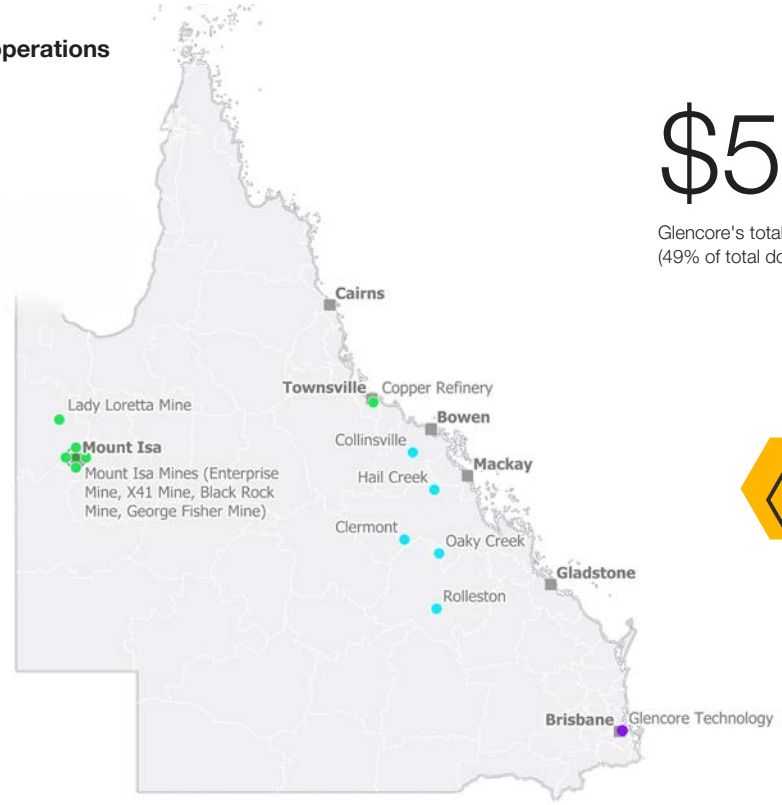
13 LGAs by number of direct employees and contractors is based on location of operation.

Glencore's contribution in Queensland

Glencore's contribution to Australian GVA ($bn)



Glencore's Queensland operations



Metals and Minerals

- Zinc and Copper

Energy Products

- Coal

Technology

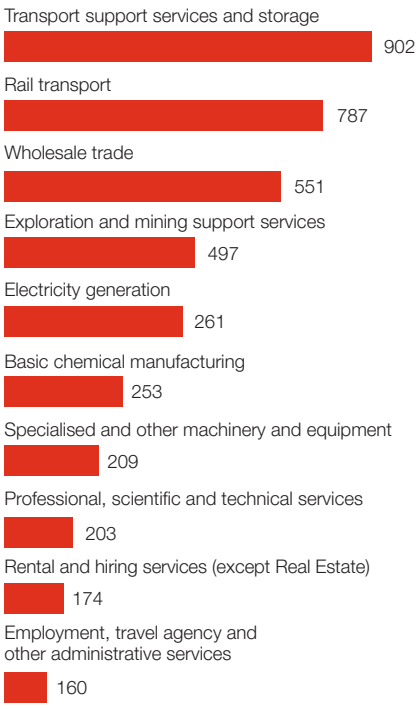
- Glencore Technology

$5.6b

Glencore's total domestic supplier spend in QLD (49% of total domestic supplier spend)

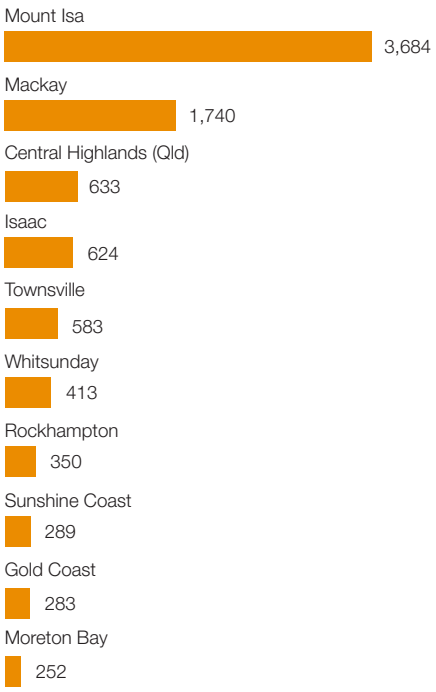
Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 10 supplier spend by sector ($m)



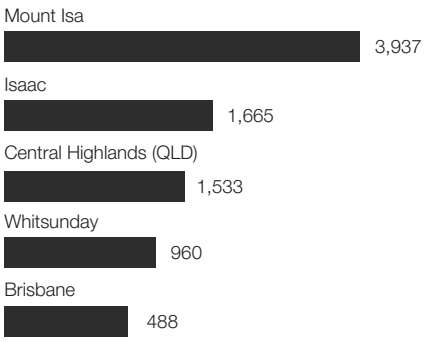
Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Top 10 regional LGAs by total economic contribution (GVA $m)



Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 5 LGAs by direct employees and contractors[14]

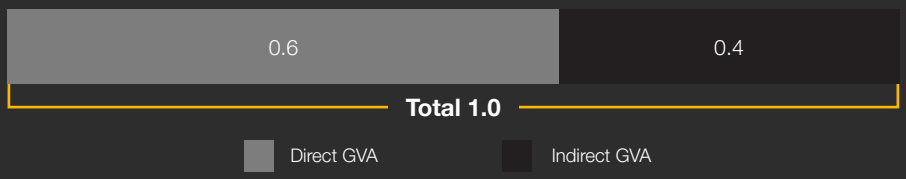


Source: PwC (2024) analysis of Glencore employee inputs in 2023

14 LGAs by number of direct employees and contractors is based on location of operation.

Glencore's contribution in NT

Glencore's contribution to Australian GVA ($bn)



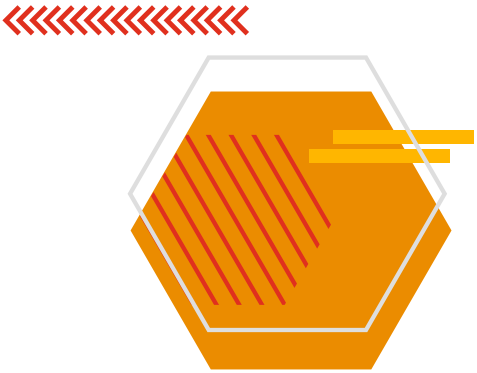
Glencore's NT operations

Metals and Minerals

Zinc

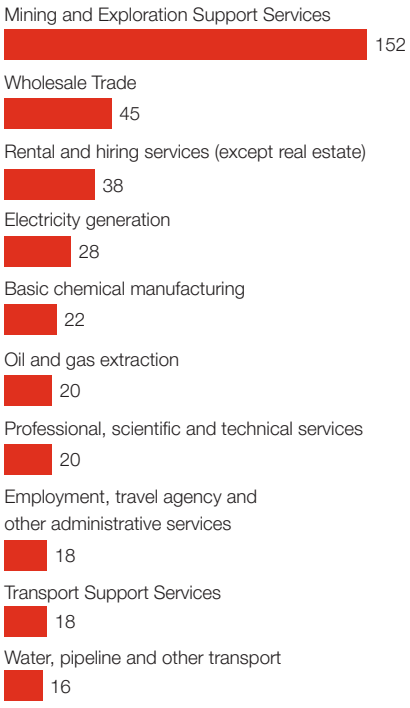
$480m

Glencore's total domestic supplier spend in the NT



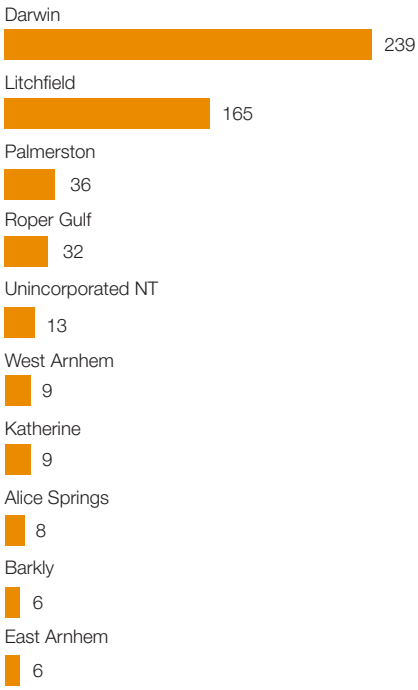
Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 10 supplier spend by sector ($m)



Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Top 10 regional LGAs by total economic contribution (GVA $m)



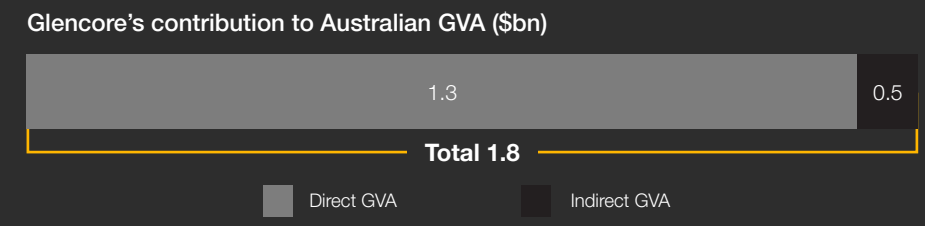
Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top LGAs by direct employees and contractors[15]

Source: PwC (2024) analysis of Glencore employee inputs in 2023

15 As Glencore's McArthur River Mine is a fly-in, fly-out operation, the LGA by number of direct employees and contractors is based on the location of the mine's onsite camp in the Roper Gulf Local Government Area.

Glencore's contribution in WA



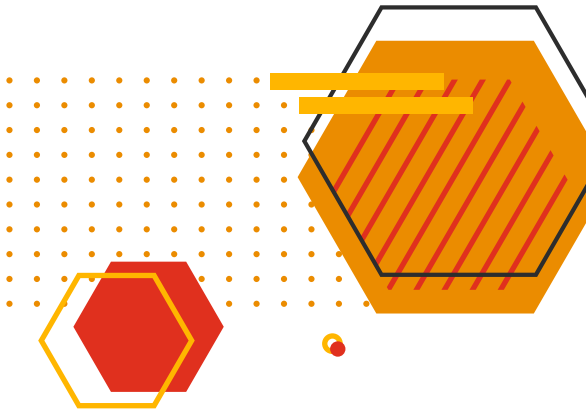
Glencore's WA operations

Metals and Minerals

● Nickel and Cobalt

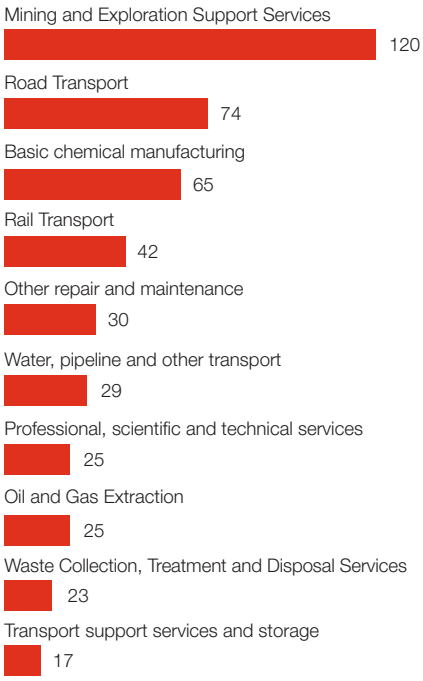
$622m

Glencore's total domestic supplier spend in WA



Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 10 supplier spend by sector ($m)



Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Top 10 regional LGAs by total economic contribution (GVA $m)

Source: PwC (2024) analysis of Glencore employee inputs in 2023

Top 3 LGAs by direct employees and contractors[16]

Source: PwC (2024) analysis of Glencore employee inputs in 2023

16 As Glencore's Murrin Murrin Operations is a fly-in, fly-out operation, the LGA by number of direct employees and contractors is based on the location of the mine's onsite camp in the Leonora Local Government Area.

Glencore contributes to regions across all of Australia

There are five regions where Glencore operates mines across Australia, covering its coal, zinc, copper, lead, silver, nickel and cobalt operations.

Roper Gulf NT

LGAs included:
Roper Gulf, Katherine

Operations:
McArthur River Mine, Bing Bong Loading Facility

Commodities produced:
Zinc, Lead

Employs:
569 direct, 657 contractors

Suppliers in region:
60

Total economic contribution (direct + indirect GVA) to region:
$41m

North-West Minerals Province QLD

LGAs included:
Mount Isa, Cloncurry

Operations:
Mount Isa Mines, Lady Loretta Mine

Commodities produced:
Zinc, Copper, Lead, Silver

Employs:
2,758 direct, 1,179 contractors

Suppliers in region:
285

Total economic contribution (direct + indirect GVA) to region:
$3,710m

Bowen Basin QLD

LGAs included:
Isaac, Whitsunday, Rockhampton, Bowen

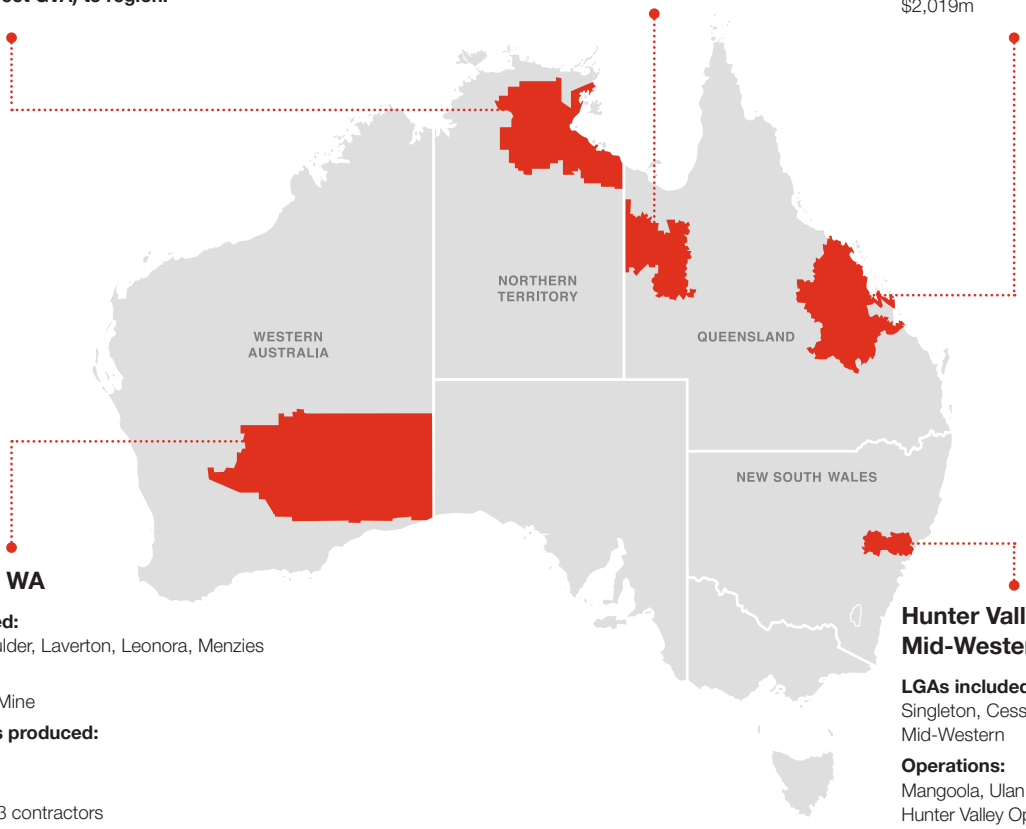
Operations:
Collinsville, Newlands, Hail Creek, Clermont, Oaky Creek, Rolleston

Commodities produced:
Coal

Employs:
2,965 direct, 1,193 contractors

Suppliers in region:
794

Total economic contribution (direct + indirect GVA) to region:
$2,019m



Goldfields WA

LGAs included:
Kalgoorlie-Boulder, Laverton, Leonora, Menzies

Operations:
Murrin Murrin Mine

Commodities produced:
Nickel, Cobalt

Employs:
854 direct, 613 contractors

Suppliers in region:
42

Total economic contribution (direct + indirect GVA) to region:
$29m

Hunter Valley & Mid-Western NSW

LGAs included:
Singleton, Cessnock, Muswellbrook, Mid-Western

Operations:
Mangoola, Ulan West, Ulan Underground, Hunter Valley Operations, Liddell, Mount Owen, Ravensworth, Integra, United Wambo, Bulga, Glendell

Commodities produced:
Coal

Employs:
4,451 direct, 1,168 contractors

Suppliers in region:
1,091

Total economic contribution (direct + indirect GVA) to region:
$4,700m

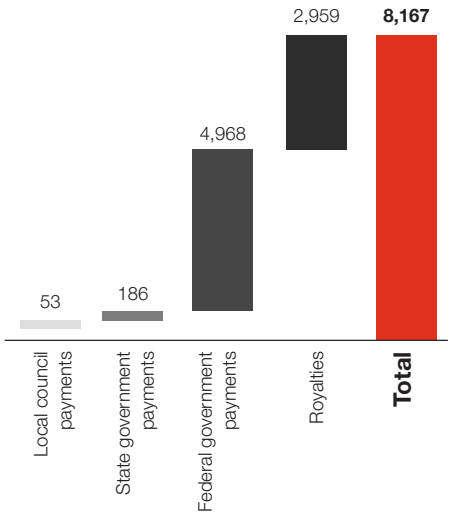
Note: Employee and contractor numbers capture the employment at sites within the region. Total wages spent are captured at the location of employee residence. As such, near-zero wages spent are listed at the FIFO sites at Murrin Murrin Mine and McArthur River Mine. Wages for these operations do not appropriately reflect total spend, as wages for FIFO employees and contractors will be captured at their LGA of residence. Suppliers in region describes number of suppliers who are based in the LGA.

Source: PwC (2024) analysis of Glencore's economic contribution in 2023

In 2023, Glencore operations paid $8.2 billion in taxes and royalties in Australia

In 2023, Glencore paid $8.2 billion in taxes and royalties, which was an increase of 12% from 2022.[17]

Taxes and royalties paid for calendar year 2023 ($m)



Source: PwC (2024) analysis of Glencore tax and royalty data in 2023

Glencore's tax and royalty bill is equivalent to:

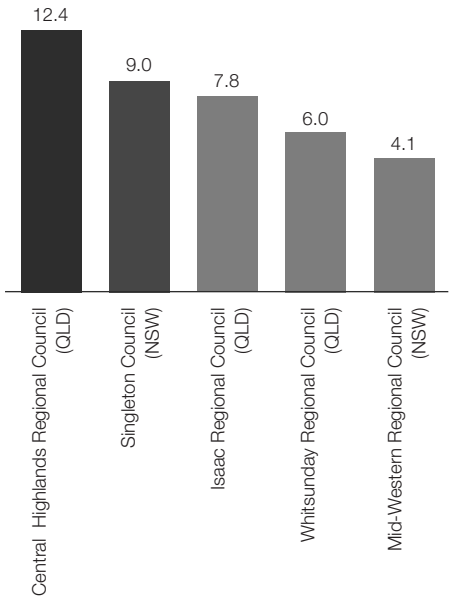
- Just over half (55%) of Australia's annual Defence personnel budget ($14.9b)[18]
- All of the Australian Government's Plan for Cheaper Child Care ($4.7b) and the Fixing the Aged Care Crisis ($2.5b)[19]
- Just over two-thirds (69%) of the NSW Government's Commitment to Health Infrastructure ($11.9b), or just more than three-quarters of the Queensland Government's Health and Hospital Plan ($9.8b), both 4-year initiatives[20]

Local council payments

Glencore paid $53.1 million to 22 local councils in 2023.

Payments were made to 22 local councils, largely driven by rates for Glencore's operations across Australia.

Top 5 payments to local council for calendar year 2023 ($m)



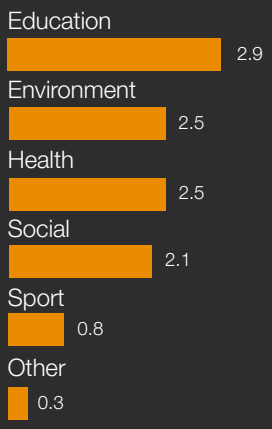
Source: PwC (2024) analysis of Glencore local council spend data in 2023

17 Glencore's calendar year 2022 corporate income tax liability is paid in instalments over the 2022 and 2023 calendar years, as required by the Australian Taxation Office.
18 ASPI (2023) Australia defence budget brief 2023-24
19 Australia Government (2023) Budget 2023-24
20 NSW Government (2023) Health Infrastructure. Queensland Government (2023) Budget Update 2023-24.

Glencore supports local communities across Australia

Glencore supports local communities via a combination of partnerships, sponsorships, funding and voluntary employee contributions. In 2023, Glencore contributed $11.6 million in community payments, which was an increase of $1.3 million from 2022.

Community partner spend by category in 2023 ($m)

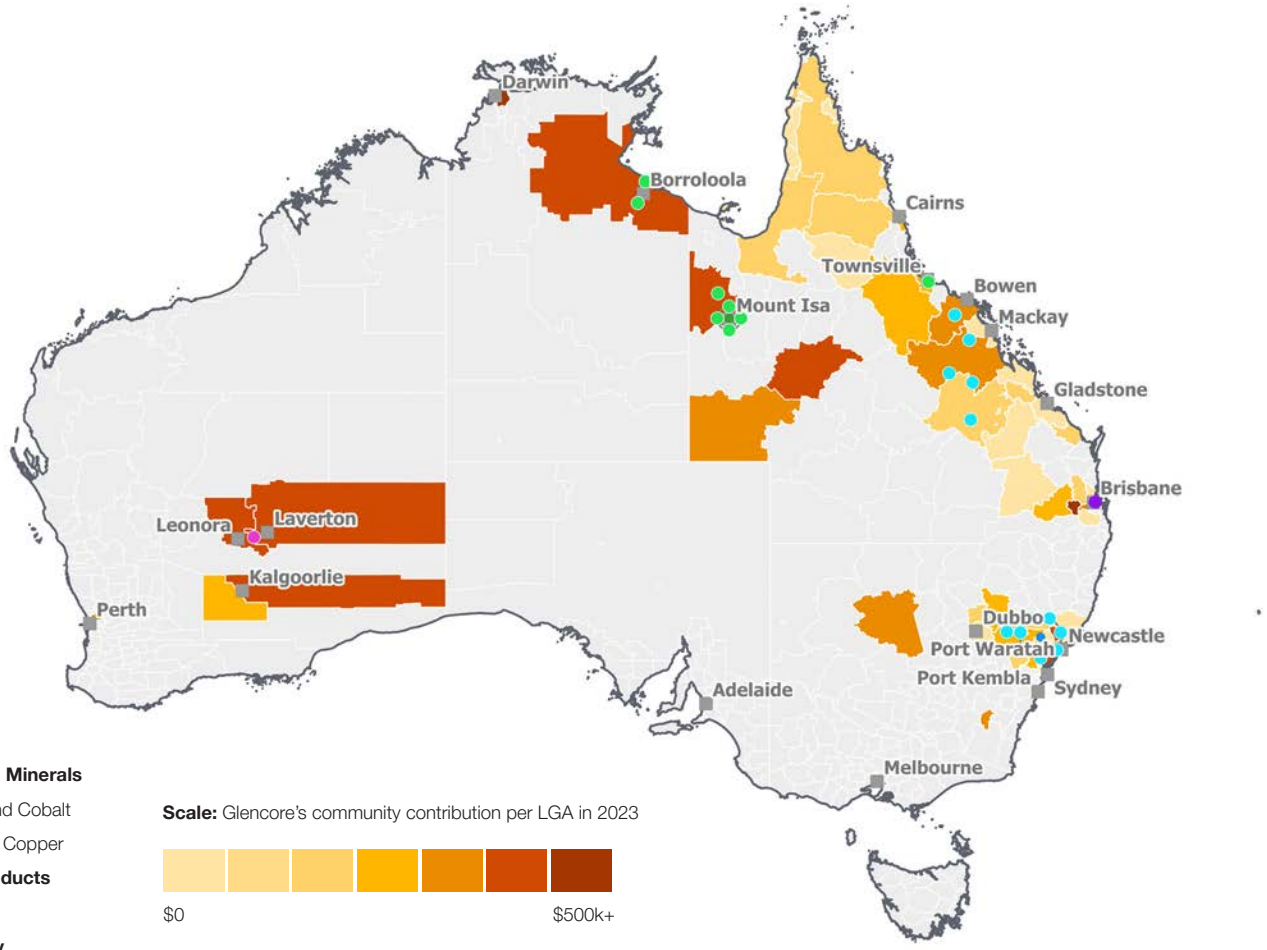


Source: PwC (2024) analysis of Glencore community contribution data in 2023

Glencore contributed most to the following initiatives in 2023

1. $3.2m to the McArthur River Mine Community Benefits Trust
2. $1.2m to the Northern Hairy-Nosed Wombat Project, in partnership with the Queensland Department of Environment, Science and Innovation
3. $0.3m to John Hunter Hospital Trauma training course to support registration fees for rural and remote participants

Location of Glencore's contributions to local communities ($m)



Metals and Minerals

- Nickel and Cobalt
- Zinc and Copper

Energy Products

- Coal

Technology

- Glencore Technology

Scale: Glencore's community contribution per LGA in 2023

$0 $500k+

Source: PwC (2024) Analysis of Glencore community spend inputs in 2023

04 Glencore's Commodity Business Units

As of 2023, Glencore has 22 mines operating in Australia, producing coal, copper, zinc, nickel, cobalt, lead, and silver. These mines are situated in various locations across the country, including New South Wales, Queensland, Western Australia, and the Northern Territory.

There are three commodity groupings that comprise Glencore's diverse natural resources business. These are:

1. Coal and Oil
2. Zinc and Copper
3. Nickel and Cobalt

The three commodity groupings are explored in additional detail on the following pages. Key information on direct contributions from Glencore and broader economic impacts for each operation grouping are outlined.

The spend and contribution by Glencore's other operations, including the Aurukun Bauxite Project, Glencore Marketing, and the Glencore corporate function are not included in the summaries on the following pages.

Coal and Oil

- Glencore supported the employment of 10,004 people in its coal mining operations (including direct employees and contractors).
- Most of the NSW coal was exported through the Port of Newcastle while coal from Queensland was exported through Wiggins Island, Abbot Point, Dalrymple Bay and RG Tanna coal terminals.[21, 22]

Note: Data from Glencore includes 100% of all Glencore managed operations and 100% of the Hunter Valley Operations joint venture, of which Glencore is a 49% participant.

21 Includes joint venture partners' share of coal production.
22 Two of these coal operations - Newlands and Liddell - reached the end of their scheduled mine lives in 2023.

Coal and Oil economic contribution (employment and direct + indirect GVA) to the Australian economy in 2023

44,896 employment supported

$17.8 billion value added

Produced
97.5 million tonnes of coal

Paid
$1.5 billion in wages

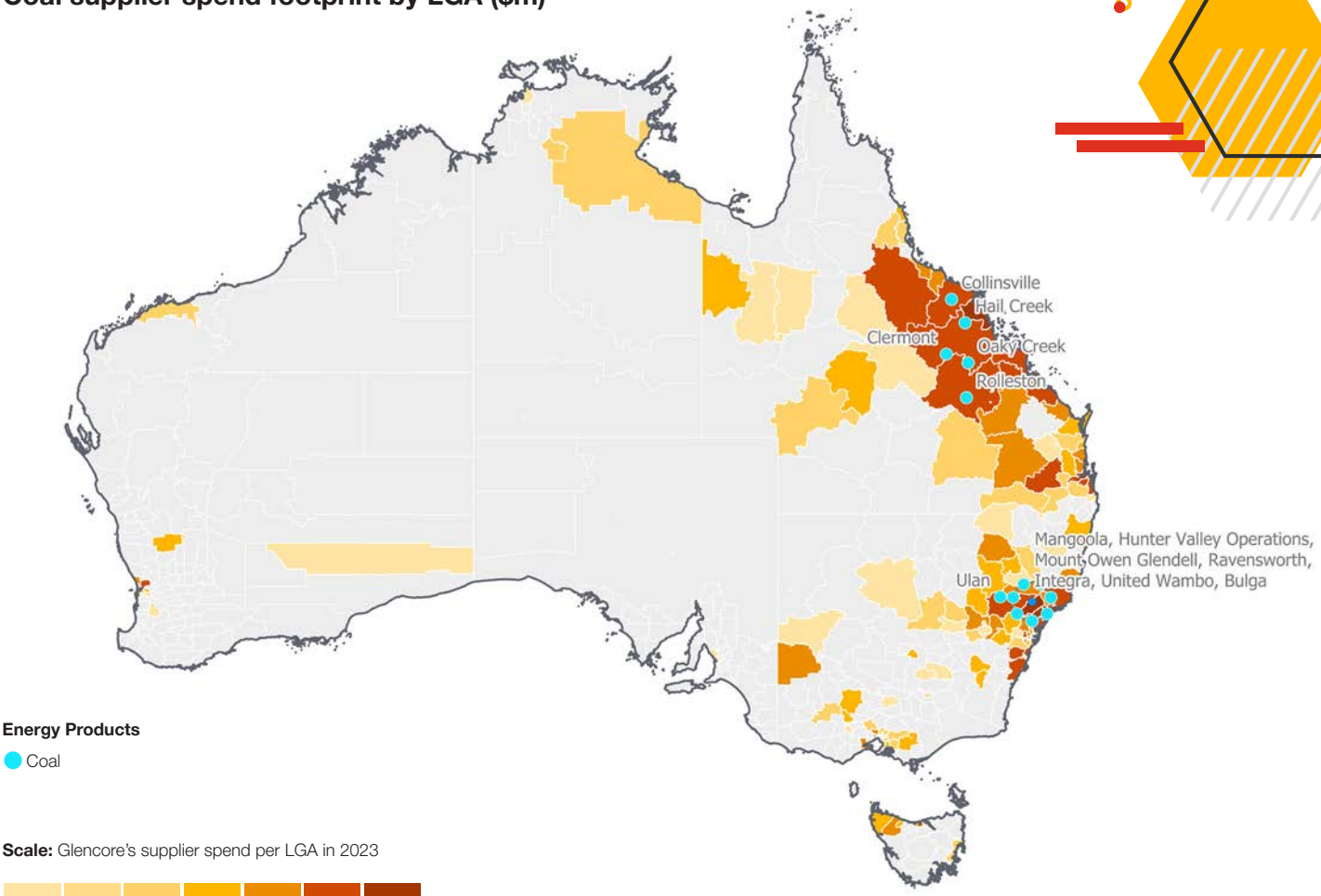
Taxes and royalties
$7.6 billion

Spent
$9.3 billion on suppliers

Directly employs
7,636 people

Directly contracts
2,368 people

Coal supplier spend footprint by LGA ($m)



Energy Products

Coal

Scale: Glencore's supplier spend per LGA in 2023

$50k — $28m+

Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Note: supplier spend of below $50,000 in an LGA is not illustrated on the above map

Zinc and Copper

- Glencore's zinc and copper operations support the employment of 5,574 people (including direct employees and contractors).
- In particular, Glencore supports the employment of 3,937 direct employees and contractors in the Mount Isa LGA, driven by large operations at Mount Isa Mines and Lady Loretta Mine.

Note: On 16 June 2023 Glencore and Metals Acquisition Corp (MAC) closed the sale and purchase of Glencore's 100% interest in Cobar Management Pty Ltd (CMPL), the owner of the Cobar copper mine in New South Wales, Australia.

Zinc and Copper total economic contribution (employment and direct + indirect GVA) to the Australian economy in 2023

13,562 employment supported

$6.9 billion value added

Produced
549 thousand tonnes of zinc

Produced
84 thousand tonnes of copper

Taxes and royalties
$371 million

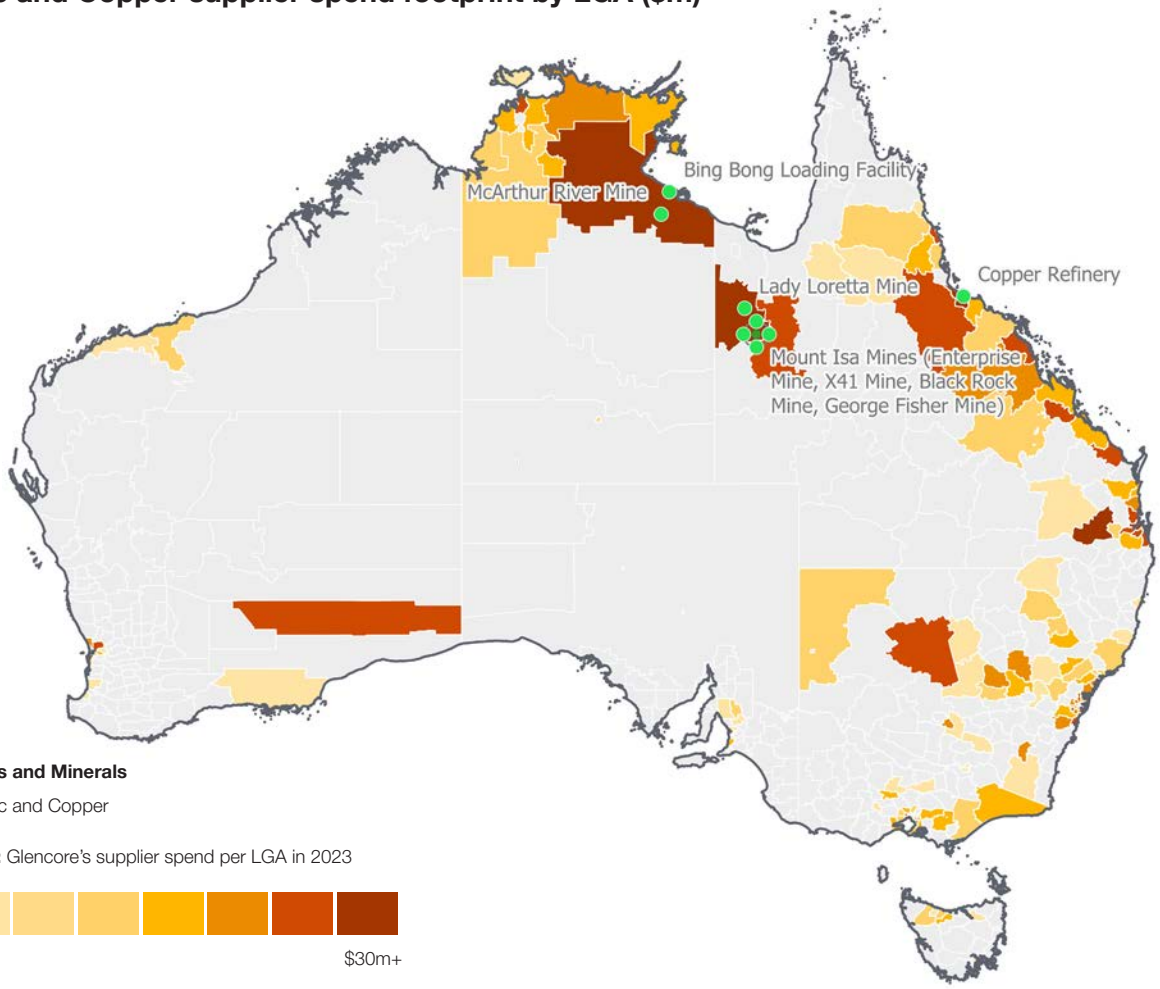
Spent
$2.5 billion on suppliers

Directly employs
3,644 people

Directly contracts
1,930 people

Paid
$646 million in wages

Zinc and Copper supplier spend footprint by LGA ($m)



Metals and Minerals

Zinc and Copper

Scale: Glencore's supplier spend per LGA in 2023

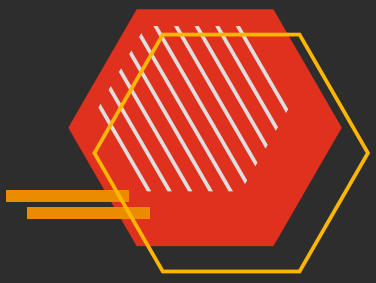
$50k — $30m+

Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Note: supplier spend of below $50,000 in an LGA is not illustrated on the above map

Nickel and Cobalt

- Glencore runs a fully-integrated open cut mine and a nickel and cobalt processing plant at Murrin Murrin.
- The nickel and cobalt is exported through Kwinana Port, south of Perth.
- Glencore's Murrin Murrin operation supports the employment of 1,467 people (including direct employees and contractors).



Nickel and Cobalt total economic contribution (employment and direct + indirect GVA) to the Australian economy in 2023

3,831 employment supported

$1.7 billion value added

Produced
31 thousand tonnes of nickel

Produced
2 thousand tonnes of cobalt

Taxes and royalties
$205 million

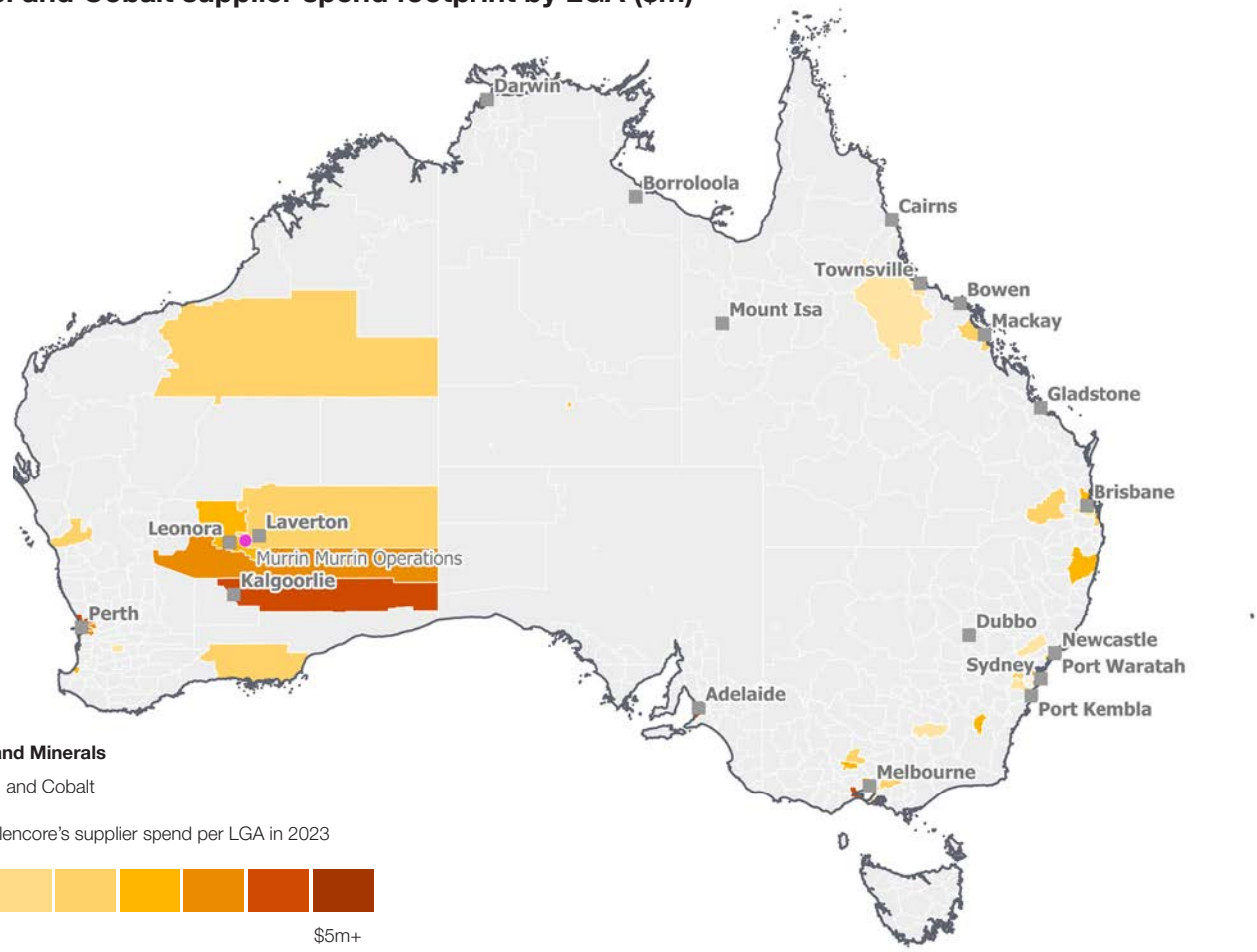
Spent
$796 million on suppliers

Directly employs
854 people

Directly contracts
613 people

Paid
$157 million in wages

Nickel and Cobalt supplier spend footprint by LGA ($m)



Metals and Minerals

Nickel and Cobalt

Scale: Glencore's supplier spend per LGA in 2023

$50k $5m+

Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Note: supplier spend of below $50,000 in an LGA is not illustrated on the above map

Glencore Technology

Glencore Technology is Glencore's dedicated metals product and process innovation branch. With its headquarters in Brisbane, Glencore Technology develops innovative products that help producers extract more from their metal and mineral processing assets.

- Glencore Technology provides comprehensive, tailored solutions involving integrated process and equipment design, detailed engineering, equipment supply, operator training, commissioning assistance and ongoing process and maintenance support.
- 22 of the 27 mining companies within the International Council of Mining and Metals (ICMM) use Glencore Technology to improve operational efficiency.[23]

Glencore Technology's total economic contribution (employment and direct + indirect GVA) to the Australian economy in 2023

393 employment supported

$181 million value added

Taxes and royalties

$11 million

Spent

$124 million on suppliers

Directly employs

148 people

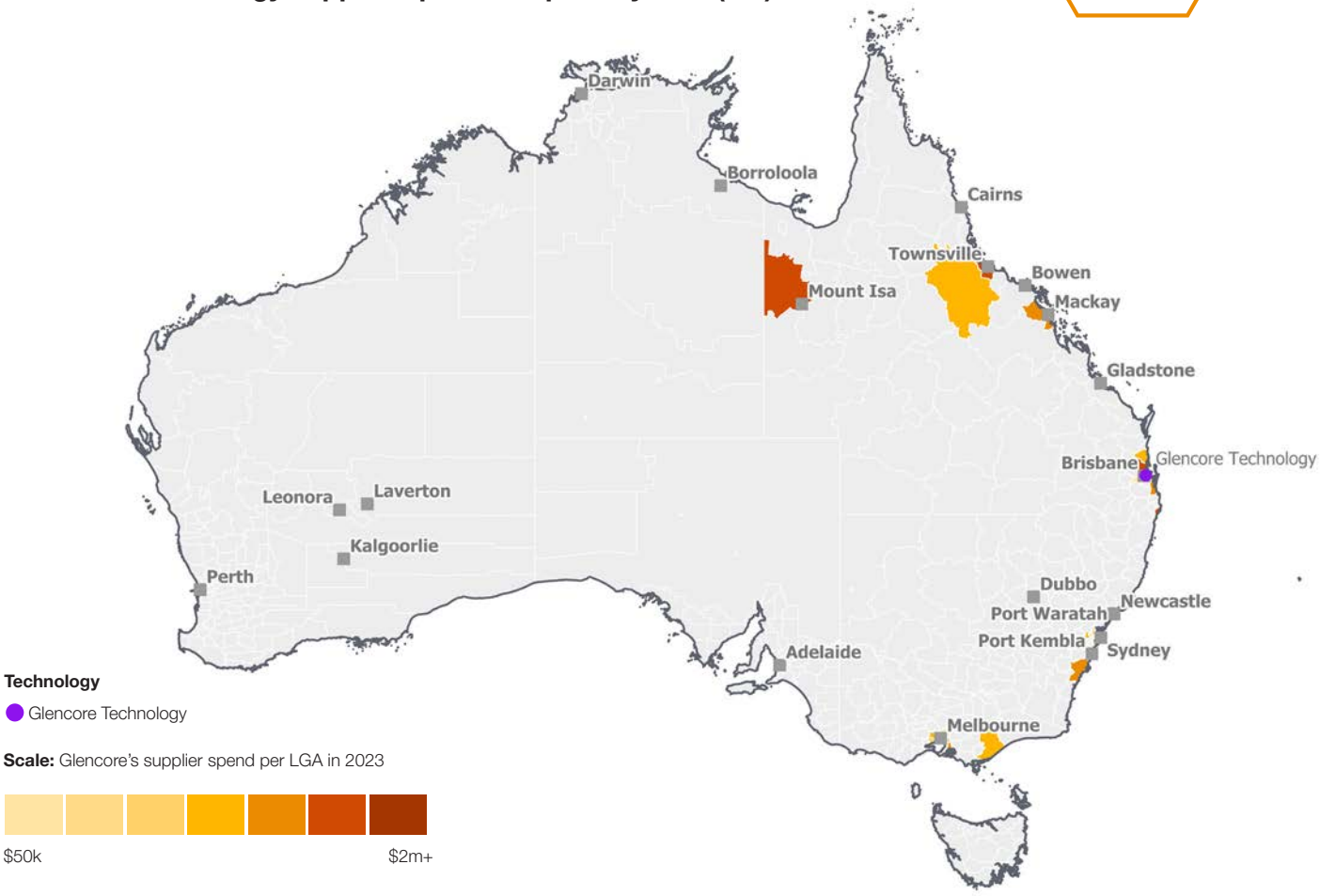
Directly contracts

24 people

Paid

$18 million in wages

Glencore Technology supplier spend footprint by LGA ($m)



Source: PwC (2024) analysis of Glencore supplier spend inputs in 2023

Note: supplier spend of below $50,000 in an LGA is not illustrated on the above map

23 Glencore (2024) Graduate Program

05 Appendix

Our approach

For the purposes of this study, we have a national economic model to estimate key economic variables across Australia, including direct and indirect employment and direct and indirect economic activity (measured as Gross Value Added, or GVA). These results form the basis for understanding the economic contribution of Glencore in Australia in 2023. Additional detail on our approach is outlined below.

Estimating the direct impact

Collect detailed data on Glencore's operations

We collected detailed data on Glencore's operations in 2023, covering a range of areas, including:

- supplier spend for each of Glencore's 22 operations around Australia by postcode
- total revenue across Australia
- the number of full time employees and contractors at each mine and associated wages paid by postcode
- community contributions to each organisation, by postcode
- local council payments
- taxes and royalties.

Map suppliers to industry categories

We mapped suppliers to their respective ANZSIC classifications[24] based on the nature of their services to Glencore.

Map suppliers and employees by postcode and LGA

- Location of suppliers was mapped from their postcode to the corresponding LGA.
- Employees were mapped by their place of residence to the corresponding LGA.
- Concordance from postcode to LGA was undertaken using respective area size and economic activity, and apportioned appropriately to reflect activity in the area.

Identify the direct economic impact of Glencore in Australia

The LGA concorded information is used to develop direct economic contribution figures. An illustration of the different components of the direct and indirect GVA calculation is outlined in the chart below.

Estimating the indirect impact

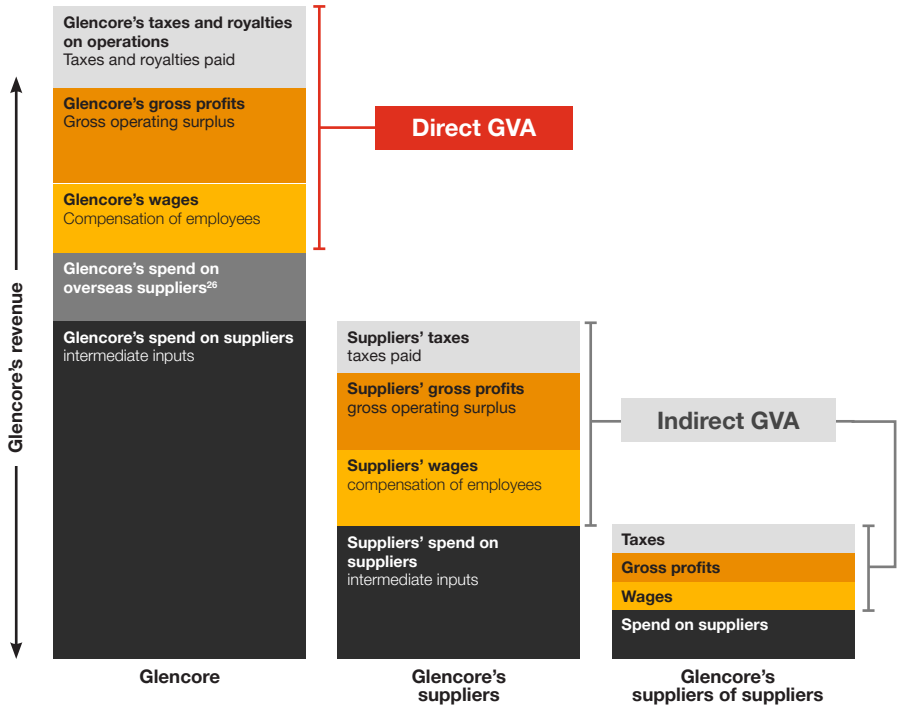
Identify indirect economic impact of Glencore in Australia using input-output

- Input-output (IO) tables[25] were used to estimate the indirect impact of direct expenditure on suppliers and employees by Glencore.
- The IO multipliers are representations of the indirect activity that will be enabled by the direct spend of Glencore. This is driven by the type of spend (as determined by the ANZSIC classifications) and the amount (as determined above).

Estimate the geographic impact of indirect economic impacts using gravity modelling

- The IO model multipliers are representations of what industries will be impacted, but not where the activity will flow.
- We account for the inter-regional trade for indirect goods and services spend based on a gravity model, which estimates economic flows across Australia.

Components in estimating direct and indirect GVA



Source: PwC (2024)

24 ABS ANZSIC Classification
25 ABS Input-Output Tables
26 Glencore's spend on overseas suppliers, predominantly related to purchases of fuel, is excluded from calculations of direct and indirect GVA

Summary of methodology and limitations

Input-Output modelling

IO modelling is a powerful tool for calculating how the impacts of activity in one industry affect the broader economy through established intra- and inter-industry relationships. Our IO modelling assesses the interdependence between Glencore and the rest of the economy using economic multipliers. IO multipliers are one way to estimate the total economy-wide contribution of direct and indirect economic activity for a particular industry.

Direct effects

The direct effects of an industry measure the requirements for an extra dollar's worth of output. In simpler terms, the direct effect on an industry's output is a one-dollar change in output that results from a one-dollar difference in final demand. This, in turn, affects the GDP, employment, and income associated with that industry. The direct effects were estimated using information taken directly from Glencore (i.e. spending on its suppliers).

Production-induced indirect effects

These effects measure the change in inter-industry purchases as a response to the demands of the directly affected industries. This includes the chain-reaction of output up and down the production supply chain, thereby creating a ripple effect.

Gravity modelling

A gravity model is a spatial interaction tool that estimates the volume of interaction between or among places. Initially developed for physics, it was later repurposed as a tool for estimating trade or interaction between regions by Isard (1954).

To estimate the flow of indirect economic activity between regions, we have developed a gravity model that considers the scale of economic activity in an LGA measured by its GVA and the relative distance between every other LGA (taken as the distance from centroid to centroid).

In the context of Glencore's operations, the model is used to estimate the location of indirect impacts of the company's spending on suppliers of suppliers.

Limitations of our modelling

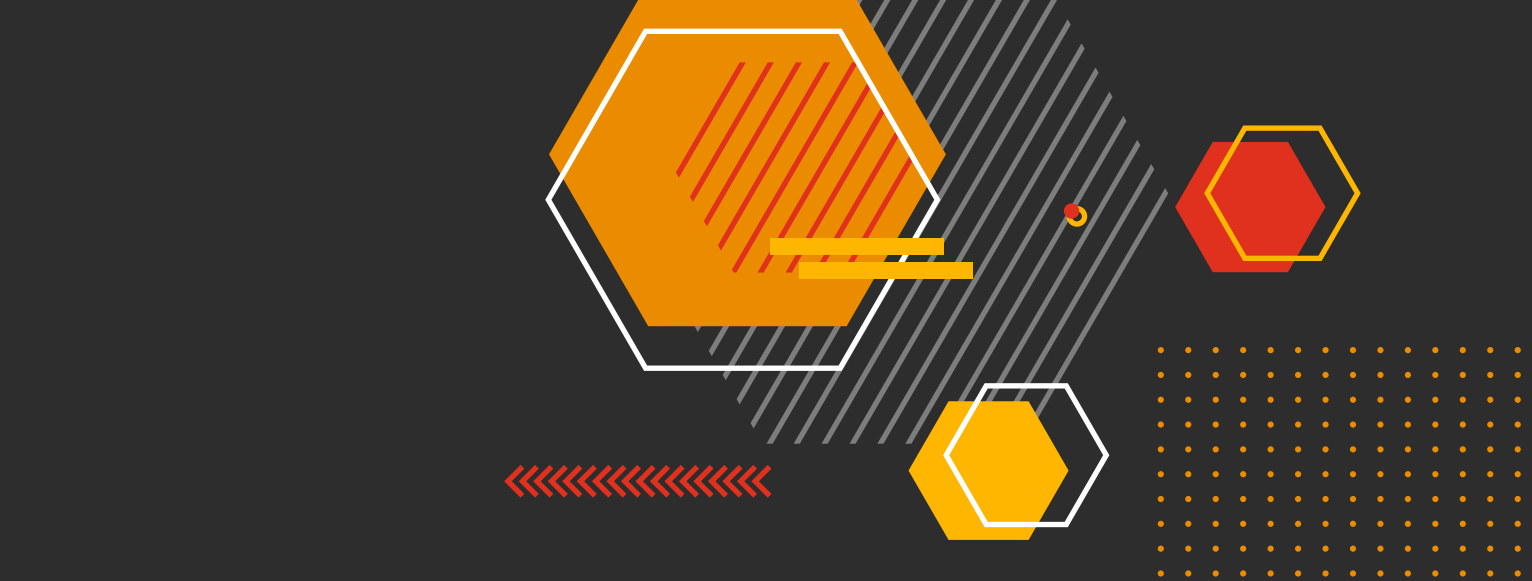
ANZSIC classification

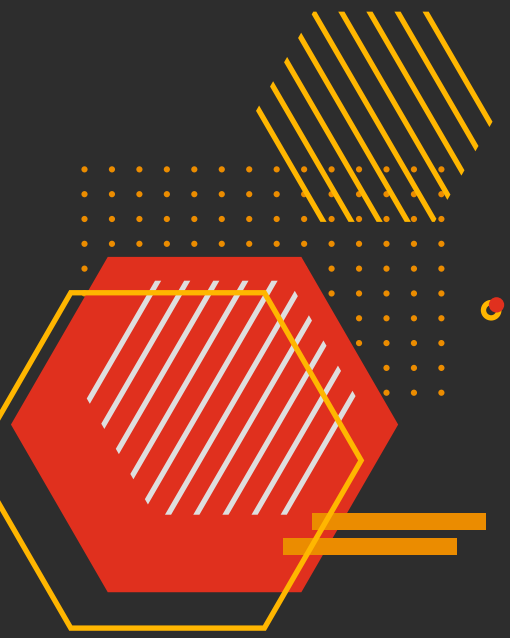
Our supplier classification system is based on the primary good or service provided by each supplier to Glencore. While this approach has enabled us to categorise suppliers into 19 key industries, it is important to note that some suppliers may provide a range of goods and/or services across multiple industries or categories. Therefore, our classification system may not fully capture the diversity of goods and services provided by each supplier.

Input-output modelling

Overall, while IO modelling is a common form of economic modelling, there are several limitations that must be considered when interpreting the results. These limitations include:

- **Static picture of the economy:** IO modelling assumes a fixed economy structure and does not consider dynamic adjustments that may occur as a result of potential future shocks.
- **Fixed production coefficients and constant returns to scale:** The approach assumes fixed production coefficients and constant returns to scale. This means that no matter how much is produced, the per-unit cost of required inputs remains the same.
- **Average effects, rather than marginal effects:** The method considers average effects, rather than marginal effects, meaning that IO models do not take into account economies of scale, unused capacity, or technological change.
- **Unlimited availability of production inputs:** IO modelling assumes unlimited availability of production inputs, such as labour, capital and equipment, and land. This implies that there are no supply-side constraints in the modelling.
- **No account for price changes:** The approach does not account for price changes that may result from increased competition for scarce resources.
- **Effect of technology on productivity and production efficiency improvements:** IO modelling does not consider the effect of technology on productivity and production efficiency improvements.





D0747165