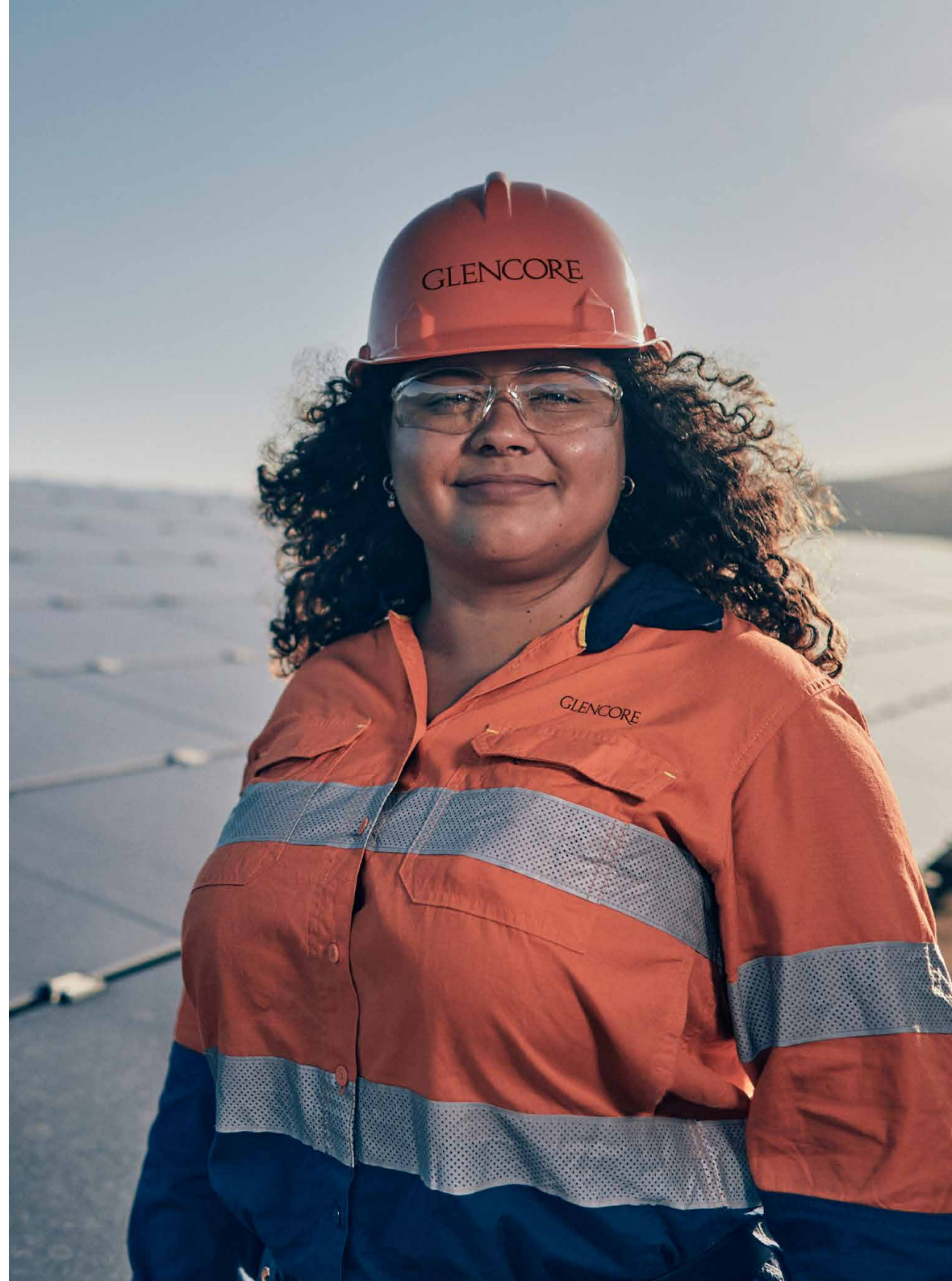


GLENCORE

**Voluntary Tax
Transparency
Report
Australia 2021**



About Glencore

We are one of the world’s largest globally diversified natural resource companies. We own and operate a diverse mix of assets all over the world, and we have a presence at every stage of the commodity supply chain; a unique business model that maximises value for all our stakeholders.

Our business model covers metals and minerals, energy products and recycling, which are supported by our extensive global marketing network.

We have ambitious climate commitments, including a total emissions (including Scope 3) reduction target of 15% by 2026; 50% by 2035; and the aim of being a net zero total emissions company by 2050.



Metals and Minerals



Energy



Marketing



Recycling

135,000

Employees and contractors

> 60

Commodities across a range of metals, minerals and energy sectors

> 35

On-the-ground presence in over 35 countries

1,200

Vessels on the ocean at any one time servicing our marketing and industrial business

7,000+

Long-term relationships with suppliers and customers

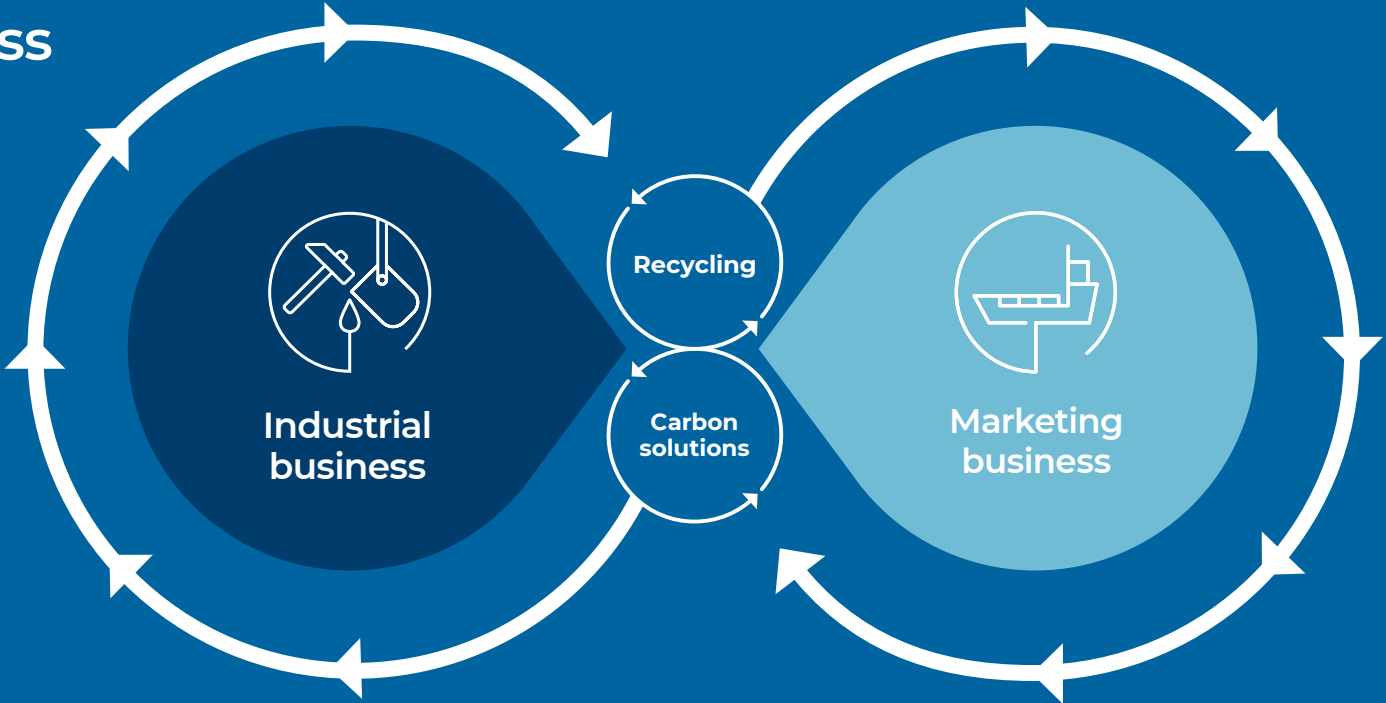
Net Zero

Ambition to be a net zero total emissions company by 2050



Our business model

Our industrial business spans the metals and energy markets, producing multiple commodities from over 65 assets



We move commodities from where they are plentiful to where they are needed

Investment case

- 1. A major supplier of energy and transition metals and solutions that support the journey to net zero emissions
- 2. Our asset portfolio is populated with large, long-life and low-carbon advantaged commodities
- 3. Unique capability to supply the sustainable commodities of the future
- 4. Highly resilient and cash generative business model

Living our values

Our values reflect our purpose, our priorities and the beliefs by which we conduct ourselves. They define what it means to work at Glencore, regardless of location or role. They are the heart of our culture and the way we do business.



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.

Sustainability and Climate Change

We aim to be a net zero total emissions company by 2050. We understand that climate change is a global challenge and a shared responsibility. As one of the world's largest diversified resource companies, Glencore is playing a role in supporting the transition to a low carbon future.

Our commitment

We aim to be a net zero total emissions company by 2050. This means we're not only reducing the direct emissions from our own operations (Scope 1 and Scope 2 emissions), but also those created from the use of our products (Scope 3).

This includes:

- 15% reduction in total emissions by 2026
- 50% reduction in total emissions by 2035
- An ambition to be a net zero emissions company by 2050.

Our strategy

We are investing in the critical metals and minerals (like copper, cobalt, nickel and zinc) needed to make a low carbon future possible. We also believe that the most responsible pathway to achieve our aim of net zero total emissions by 2050 is to continue to meet the energy needs of today and responsibly manage the depletion of our coal operations over time.

We aim to:

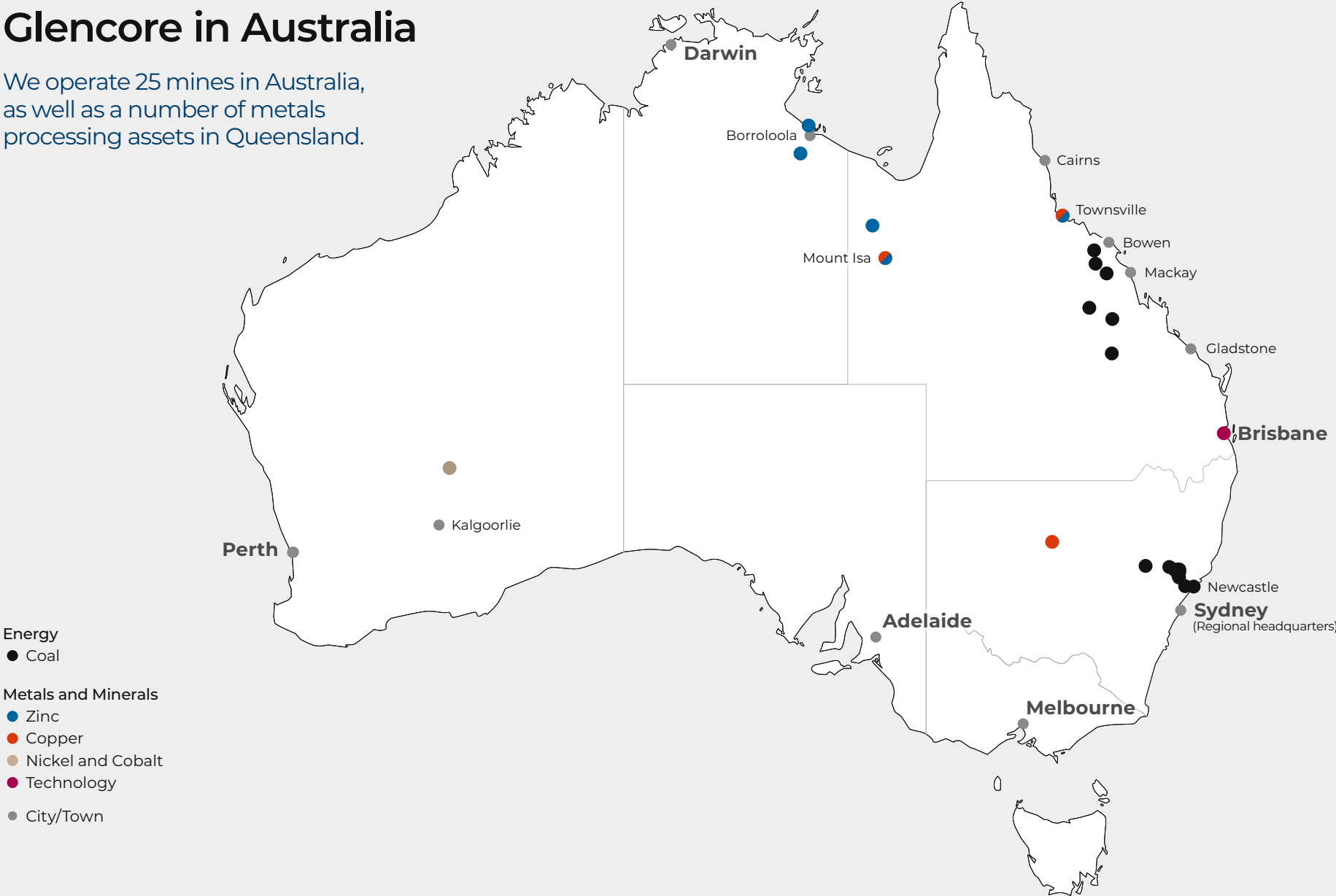
- Be a leader in enabling the decarbonisation of global energy demand.
- Help meet continued demand for green metals for the transition.
- Responsibly meet the energy needs of today.



Find out more: www.glencore.com.au/sustainability/climate-change

Glencore in Australia

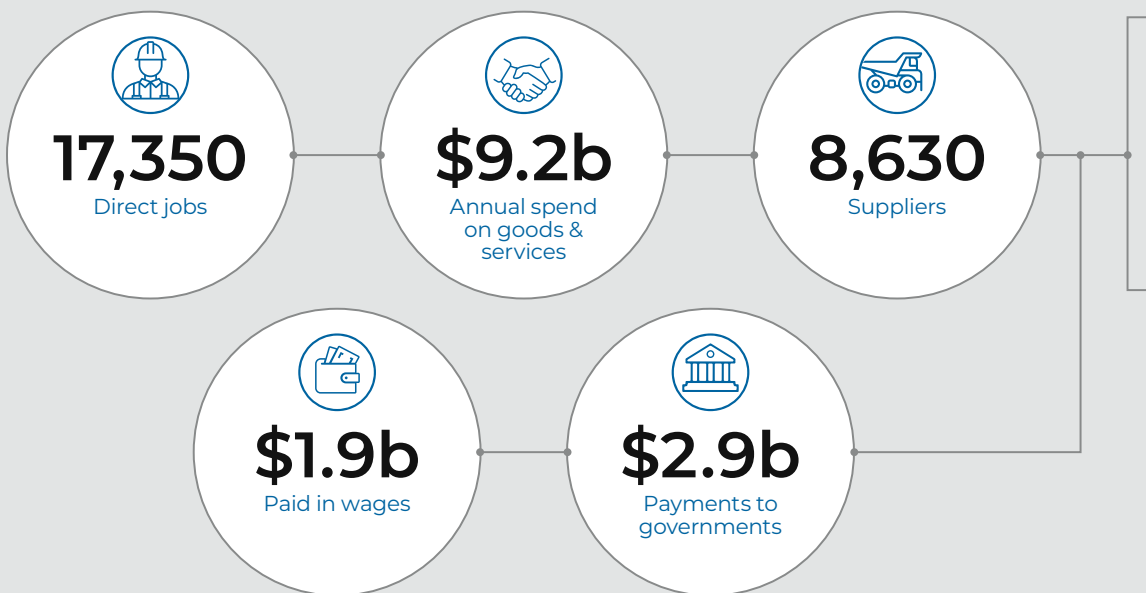
We operate 25 mines in Australia, as well as a number of metals processing assets in Queensland.



Our contribution in Australia

In 2021, Glencore directly contributed \$14 billion to the Australian economy. A detailed break-down of our economic contribution to Australia in 2021 is available in the EY report *Economic contribution of Glencore Australia*, available at www.glencore.com.au/who-we-are/our-contribution.

Direct contribution



Flow-on impacts

77,550 flow-on jobs
\$27 billion total economic activity

Glencore sites

- Oaky Creek Coal
- Clermont Coal
- Hail Creek Coal
- Collinsville Coal
- Newlands Coal
- Rolleston Coal
- Mount Isa Mines
- Lady Loretta Mine
- Ernest Henry Mining*
- Copper Refineries Ltd
- Townsville Port Operations
- Ulan Coal
- Mangoola Coal
- Hunter Valley Operations**
- Liddell Coal
- Mount Owen Glendell Coal
- Integra Coal
- Bulga Coal
- Ravensworth Coal
- United Wambo
- CSA Mine
- McArthur River Mine
- Murrin Murrin Operations

SUPPORTING NOTES

All dollar figures are in AUD and relate to the 2021 calendar year.

The federal income taxes figures represent Glencore's share of our Australian operations. All other figures, including royalties, represent 100% of the operations that Glencore manages, or participates in, in Australia and include any joint venture partners' interests.

Total economic activity is measured using Gross Value Added, an estimate of the value of goods and services produced in an economy. Flow on jobs and economic activity were estimated using ABS data in an Input-Output model developed by EY, measuring the indirect and induced impact of Glencore's operations.

* Ernest Henry Mining was sold to Evolution Mining in January 2022.

** Hunter Valley Operations is a joint venture between Yancoal (51%) and Glencore (49%), which is independently managed on behalf of the JV partners.

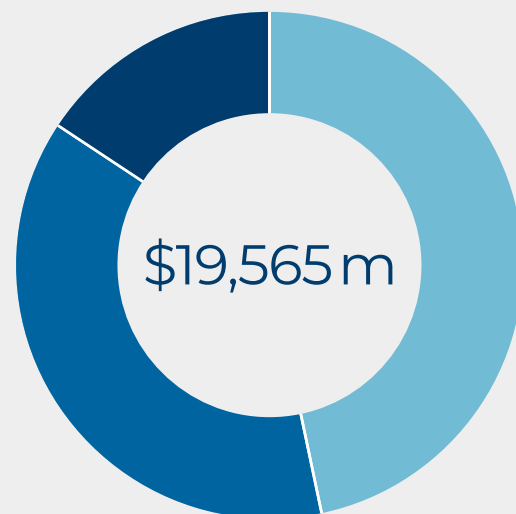
Taxes and royalties

In 2021, Glencore operations paid over \$2.6 billion in taxes and royalties to Federal and State Governments in Australia.*

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

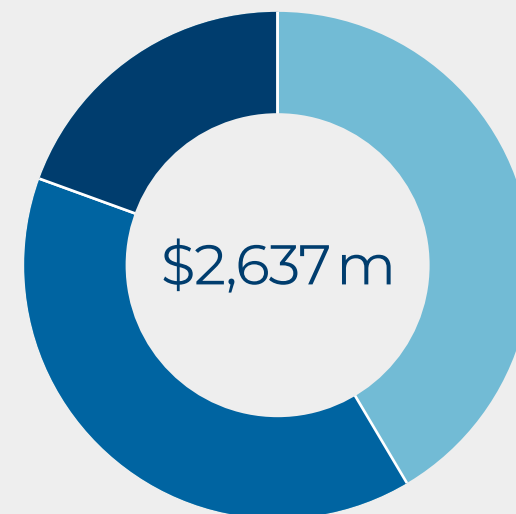
- Since 2011, Glencore's Australian operations have paid over \$19 billion in taxes and royalties in Australia, of which more than \$3 billion was corporate income tax.
- Corporate income tax is paid on taxable profits, not on revenue.
- Our business is highly cyclical and needs high levels of capital and sustaining investment over the long term.
- Commodity prices – in particular coal prices – remained strong during 2021, and this is reflected in Glencore's profitability and corporate tax liability.

TAXES AND ROYALTIES PAID SINCE 2011 (AUD)



- Company Tax – \$3,065 m
- Company payroll and other taxes – \$7,356 m
- Royalties – \$9,144 m

TAXES AND ROYALTIES PAID FOR CALENDAR YEAR 2021 (AUD)



- Company Tax – \$513 m
- Company payroll and other taxes – \$908 m
- Royalties – \$1,196 m

Notes:

- Tax payable in relation to 2021 financial year was paid during the 2021 and 2022 calendar years
- The federal income taxes portion of the above figures represent Glencore's share of our Australian operations; the royalties figure represents 100% of the operations that Glencore manages, or participates in, in Australia and includes any joint venture partners' interests

* The figures shown on this page are in AUD and relate to payments made in the 2021 calendar year.



Our approach to tax and transparency

Our approach to tax and transparency

Glencore¹ is committed to high standards of corporate governance and tax transparency including compliance with all applicable tax laws, rules and regulations. Glencore seeks to maintain long-term, open, transparent and cooperative relationships with tax authorities in our host countries. As part of our commitment to Australian corporate tax transparency, Glencore adopted the Australian Board of Taxation's voluntary Tax Transparency Code (the Code) from 2018.

TAX GOVERNANCE AND TAX RISK MANAGEMENT

Glencore's global tax strategy and governance focus is disclosed in its Group Tax Policy, which is available at www.glencore.com/who-we-are/policies.

Our Australian business actively manages all identified tax risks within an appropriate Tax Governance Framework and robust control procedures.

Ultimate responsibility for tax risk resides with the Board and our governance ensures suitably qualified personnel are involved in decisions related to tax. The Glencore Investment Pty Limited (GIPL) board has oversight over Australian tax risks through the GIPL Board Audit Committee, and a clearly defined reporting hierarchy exists through which risks are escalated through the organisation.

We have a dedicated Australian tax function as well as a global tax team that provides support as and when required. We also use third party advisors where appropriate to assess tax risks and ensure that we are in compliance with applicable tax laws, rules, regulations and reporting requirements.

In the management of tax risk, the tax function own and manage risks. The tax function identifies and manages risk by developing appropriate policies, standards and controls to apply across our organisation – Internal control processes are implemented through clearly defined roles and responsibilities and personnel with the appropriate skill and experience are involved in key tax decisions. These formal procedures around the governance of tax matters and tax risk must be adhered to by all employees.

Selected senior personnel in the tax team critically review the effectiveness of our policies, controls and processes in mitigating risk in light of factors such as material changes to our business. These senior personnel are able to draw on their own experience and the advice of tax technical experts to suggest improvements.

Glencore's Internal Audit function provides assurance to the Board via the Audit Committee through independent review of the effectiveness of governance, risk management and control including our management of tax risk with action taken to address any matters identified. Our external Auditor also reviews significant risks and disputes.

We continue to make enhancements to our robust Tax Governance Framework and associated tax control framework through this process of continuous review and scrutiny.

TRANSPARENCY

We welcome fiscal transparency as it encourages the responsible management of revenues from our activities. We believe that countries that transparently and effectively allocate natural resource wealth for the benefit of their communities have the potential to attract greater, more responsible and longer-term business investment.

Our Board Audit Committee engages with senior management to understand the potential tax exposures and the key estimates taken in determining the positions recorded, including the status of communications with local tax authorities and the carrying values of deferred tax assets.

We are transparent in the disclosure of our tax affairs. This report contributes to that transparency as do our other publications. We believe this is an important step in ensuring that the way we manage our tax affairs is explained clearly and is easy to understand.

Glencore is committed to working with the Australian Taxation Office (ATO) in a transparent and collaborative fashion at all times. In addition, we are committed to making accurate, fair and timely disclosures to the Australian tax authorities, as and when required.

APPROACH TO DEALINGS WITH TAX AUTHORITIES

Glencore recognises the important role of all tax authorities in the various jurisdictions in which the Glencore Group operates, confirming them as stakeholders in its business.

It is Glencore's policy to be transparent and proactive in all interactions with tax authorities.

In Australia, we have constructive relationships with the tax authorities and regularly engage with the ATO throughout the year to provide assurance over our tax governance practices and to ensure that tax calculations and payments accord with tax law. This helps provide certainty for both parties and enables discussion of business arrangements and activities in a current timeframe. We recognise that on occasion there will be areas in which our legal interpretation may differ from that of the ATO and where the tax treatment of activities and transactions is uncertain. In such cases, Glencore will engage in proactive discussions with the ATO

¹ Glencore plc and its related affiliates are collectively referred to as 'Glencore' or 'the Group' or 'the Company'.

with a view to bringing matters to a reasonable conclusion as rapidly and equitably as possible. We are committed to being a good corporate fiscal citizen aiming for sustainability in relation to tax.

TAX DISPUTES

In accordance with the Glencore Code of Conduct, we are committed to comply with all applicable tax laws, rules and regulations. Glencore does not enter into artificial arrangements in order to avoid taxation or to defeat the stated purpose of the tax legislation, nor does it undertake aggressive tax planning. Given the scale of Glencore's operations in Australia, Glencore has adopted an enhanced tax governance and assurance program. This recognizes that tax risk management is an important part of good corporate governance and provides the ATO with assurance over routine transactions in addition to engagement on more complex transactions.

Commercial transactions can be multifaceted, and some areas of tax law are inherently complex and subject to interpretation; as such, there may be differences of opinion between the ATO and Glencore from time to time. Given the uncertainty around the application of tax law at times and the legitimate concern of tax administrations to collect the full amounts due to them, our arrangements are subject to ongoing and careful scrutiny, and even occasional dispute, where the tax authorities may take a differing view or disagree with our interpretation of tax law.

We approach both scrutiny and dispute in a fair and transparent manner, but we resolutely defend the principle that profit must be taxed only once and that tax administrations are as bound in law by the Transfer Pricing Guidelines as we are.

LOW TAX JURISDICTIONS

Glencore does not engage in artificial tax planning and diversion of profits through low tax jurisdictions. Our Group Tax Policy and adherence to the OECD Transfer Pricing Guidelines forbid the allocation of profit to jurisdictions that do not provide value-adding activities and do not have any real commercial substance.

The Group has undertaken a review of all entities established in tax neutral jurisdictions with the intention of consolidating or liquidating as many as possible. Where it is not possible to do this for commercial reasons, these entities usually adopt tax residence in a non-low tax jurisdiction where the Group can establish enhanced local substance. As a result of this review, many tax neutral jurisdiction incorporated companies have been removed from the Group structure, or established their tax residence in Switzerland, the UK or another non-tax haven jurisdiction. This review continues to be a focus during 2022.

OUR MARKETING BUSINESS

Glencore's marketing activities source a diversified range of physical commodities from third-party suppliers and from industrial assets in which Glencore has full or part ownership interests. These commodities are sold, often with value added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom Glencore enjoys long-term commercial relationships.

As a specialist marketer, Glencore is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, Glencore focuses on maximising returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities, and economies of scale.

Our integrated marketing and industrial businesses work side-by-side to give us presence across the entire supply chain, delivering in-depth knowledge of physical market supply and demand dynamics and an ability to rapidly adjust to market conditions.

In contrast, this is not the business model of Glencore's mainly industrial competitors who are generally not set up with the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

The marketing of metals and minerals commodities is co-ordinated primarily through Glencore's office in Baar, Switzerland where the marketing offices have historically been located. The main marketing office is strategically supported by several regional marketing offices, the largest of which are located in the United Kingdom, United States and Singapore in order to be close to our customers in the different regions and markets.

All marketing arrangements within the group are priced using the "arm's length" principle in line with guidelines issued by the OECD and in accordance with local jurisdiction transfer pricing legislation.

TRANSFER PRICING

The Glencore group is comprised of a number of separate legal entities established across a large number of jurisdictions. Like many multinational enterprises, our business activities are co-ordinated (in terms of personnel, assets and capital) on a worldwide basis and these activities give rise to intra-group cross border transactions.

International tax law and, in particular, the OECD Transfer Pricing Guidelines and Article 9 of the OECD Model Tax Convention govern the allocation of overall group profitability between jurisdictions. They require that individual entities within the group transact with each other at the same price that they would if they were independent parties and in due recognition of the true value to be accorded to the transaction.

Action 13 of the BEPS project significantly increased transparency standards for multinational taxpayers by introducing new requirements for transfer pricing documentation and Country by Country Reporting (CbCR). In addition to complying with CbCR and the new transfer pricing documentation requirements, we are fully committed to maintaining enhanced tax disclosures as demonstrated by the voluntary disclosures within this report.

Given the complexity of the Group's operations, our transfer pricing can, and should be, subject to careful scrutiny.

INTRA-GROUP CROSS BORDER TRANSACTIONS

This section provides qualitative information about the Australian business' material dealings with related parties which are conducted on an arm's length principle in line with OECD guidelines and the Australian transfer pricing legislation. International related party commodity and service transactions occur primarily between Australia and our Switzerland marketing function, and to a lesser extent with other Glencore subsidiaries in other jurisdictions.

During 2021, international related party dealings mainly comprised of the sale and purchase of commodities, marketing services, insurance and financing.

We disclose all international related party dealings to the ATO through the lodgement of our tax returns, Country by Country Reporting and other co-operative compliance activities such as the Pre-lodgement Compliance Review (PCR) arrangement.

KEY INTERNATIONAL RELATED PARTY DEALINGS	DESCRIPTION	SIGNIFICANT JURISDICTIONS
Purchases and sales of commodities	<p>The Australian entities sell various commodities to the Group's trading office and also purchase commodities for use in their operations and for sale in the Australian market from affiliated Glencore companies.</p> <p>These commodities are globally traded within an active global market which provides a deep and standard pricing methodology from the transparent market prices. The prices that the Australian entities pay or receive closely match what third party customers would pay for the same commodities. This is in line with the arm's length principle in accordance with the OECD Transfer Pricing guidelines and Australian domestic transfer pricing legislation.</p>	Switzerland Singapore
Marketing services	<p>As mentioned earlier in the report, our global marketing function supports the creation of incremental value from a pool of allocated capital through critical mass, blending, storage and arbitrage opportunities. In addition to third party producers, our trading offices also provide marketing services to our Australian operations.</p> <p>These are arrangements are typically involve fee type payments to the relevant marketing function for arranging the sale and marketing of certain commodities. The applicable fees are benchmarked on an arm's length basis and in accordance with the OECD Transfer Pricing guidelines.</p>	Switzerland
Financing	<p>As a large business, our Australian operations are financed by a mixture of shareholders equity, external debt, related party debt, and internal capital. The mix of debt and equity allows us to continue to make significant investments in Australia.</p> <p>Where interest is considered to be chargeable on related party debt, the pricing is on an arm's length basis and benchmarked according to the OECD Transfer Pricing Guidelines and transfer pricing rules for the relevant jurisdictions. The related party debt is predominantly denominated in USD as the reporting and tax functional currency for the business.</p> <p>The Australian entities withhold and remit applicable interest withholding tax.</p>	United Kingdom
Insurance	<p>Glencore has a captive insurance company resident in Singapore, which provides insurance coverage to Australian Insured entities and other group entities for low frequency/high severity events, such as property damage and business interruption. Singapore offers appropriate expertise, strong regulatory rules and access to global insurance and reinsurance markets.</p> <p>Similar to other companies who self-insure, having a captive insurance company in the structure significantly affects the cost and availability of suitable insurance which provides economic benefits to the group.</p> <p>The premiums are priced in accordance with the arm's length principle as set out in the OECD Transfer Pricing Guidelines. Applicable withholding tax on premiums is also remitted to the ATO.</p> <p>The insurance arrangements between the Australian Insured entities and the captive insurer are managed by an independent third-party insurance broker.</p>	Singapore

RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSE

The General Purpose Financial Statements of GIPL comprise its controlled entities and its interest in associates and jointly controlled entities. They are prepared in accordance with both Australian Accounting Standards and International Financial Reporting Standards.

In line with these standards, the 2021 Financial Report included a reconciliation of accounting profit to income tax expense. An extract from the Notes to the Financial Statements, setting out this reconciliation, is copied right.

Tax payable is based on taxable income at the prevailing jurisdictional tax rate.

The accounting effective tax rate is calculated as the income tax expense divided by accounting profit (including adjustments for non-temporary differences) as per AASB112. Non-temporary differences are amounts which are recognised differently for accounting and tax purposes, and do not reverse over time. GIPL's effective tax rate deviates from the statutory headline rate of 30% primarily due to prior year income tax expense (i.e. book to return true up adjustments) and non-temporary adjustments for items.

Material temporary differences relate to amounts which are assessable or deductible for tax purposes at a different time for accounting purposes. Consistent with the mining industry, our material temporary differences arise from differences in depreciation of fixed assets between tax and accounting purposes as well as mining provisions.

Income Taxes

2021 (USD MILLIONS)	GLENCORE PLC CONSOLIDATED	GIPL CONSOLIDATED
Profit/(loss) before income taxes and attribution	7,375	3,195
Less: Share of income from associates and joint ventures	(2,618)	(83)
Parent Company's and subsidiaries' income/(loss) before income tax and attribution	4,757	3,112
Income tax credit/(expense) calculated at Swiss/Australian tax rate of 12%/30%	(571)	(934)
Tax effects of:		
Different tax rates from the standard Swiss / Australian tax rate	(1,486)	-
Dividend income from consolidated and non-consolidated entities	-	(150)
Tax exempt income from recurring items	207	-
Tax exempt income from non-recurring items	25	66
Items not tax deductible from recurring items	(987)	-
Items not tax deductible from non-recurring items	(378)	(36)
Effects from translation adjustments	52	-
Changes in tax rates from non-recurring items	15	-
Utilisation and changes in recognition of deferred tax assets	-	126
Adjustment in respect of prior years	(11)	90
Utilisation and changes in recognition of tax losses and temporary differences	101	-
Other	7	(29)
Income tax benefit/(expense)	(3,026)	(867)
Effective tax rate	63.61%	27.86%

Temporary Differences

2021 (USD MILLIONS)	GLENCORE PLC CONSOLIDATED	GIPL CONSOLIDATED
Deferred tax losses	1,418	-
Depreciation and amortisation	(4,156)	(2,439)
Other	48	1,023
Total temporary differences	(2,690)	(1,416)

The Australian tax consolidated group utilised tax losses generated during CY2020 and a small portion of historical tax losses transferred into group under tax consolidation rules. We note, whilst the Australian tax consolidated group still has these historical carry-forward tax losses to utilise in the future, the rate of utilisation of these carry forward losses is low based on the application of tax laws and the impact of these losses on future tax payments will be immaterial.

A complete breakdown of the Group's payments to government, by classification of taxes paid, can be found in Glencore's Payments to Governments Report 2021 at www.glencore.com/publications.

RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAYABLE

2021 (USD MILLIONS)	GIPL CONSOLIDATED
Income tax expense/(benefit)	867
Adjusted for:	
Deferred income tax expense	177
Adjustment in respect of prior year deferred income tax	53
Prior year income taxes (paid)/refunded	83
Australian income tax instalments paid/(refunded)	(454)
Other adjustments	(54)
Income tax payable/(refundable)	672


BASIS OF REPORT PREPARATION

This Tax Transparency disclosure has been prepared to meet the requirements of the Code for all Australian entities controlled by Glencore that are immediately held by GIPL. The disclosure includes details of our tax policy, strategy and governance; and details of effective tax rate, taxes paid and international related party dealings as required under the code.

Amounts disclosed in this report are in US dollars (unless otherwise stated), which is the Group's functional currency. Amounts disclosed in the report have either been sourced from the financial statements in the Group's 2021 Annual Reports, financial records or submitted tax returns.

NOVEMBER 2022

[glencore.com.au](https://www.glencore.com.au)

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