

GLENCORE



KAZZINC

Bank of America

2020 Global Metals, Mining and Steel
Conference

12 May 2020

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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.



Operational update

Responding to COVID-19

Our people

- The COVID-19 pandemic is an unprecedented challenge for all of us
- As a responsible operator, our top priority is to protect the safety and health of our people and the communities that host our businesses
- We have introduced a number of precautionary measures across our offices and industrial assets
 - Our goal is to operate only when we can keep our people safe and healthy, while safeguarding jobs and providing support to our local communities
 - Our teams are working closely with governments, health agencies and other key organisations to provide effective local solutions: to support these efforts we have allocated \$25 million to help our local communities



Responding to COVID-19

Global commodity markets

- Commodity markets have responded quickly to the sharp reduction in demand, with pricing for many commodities falling into the upper end of their respective cost curves
- The full impact of the demand shock has been tempered by COVID-19 related supply disruptions/reductions to date, with cumulative losses contributing to closing the gap on demand losses
- Low above ground inventories at the start of the year (relative to previous economic cycles) should help limit the extent of potential inventory build likely to be seen in copper, zinc and nickel

Global estimated industry supply impacts year to date⁽¹⁾

Estimated losses as a share of pre-COVID 2020 supply forecast

4%	Cu	Excluding smelting/refining and direct use scrap losses
6%	Zn	
5%	Ni	
6%	Thermal Coal	
6%	Met Coal	
5%	Mn ore	
11%	Cr ore	
11%	Cr alloy	

Responding to COVID-19

Our assets

- Glencore operates more than 180 sites and offices in over 35 countries
- The majority of our industrial assets continue to operate relatively normally, accounting for the various precautionary measures
- A number of operations have been temporarily suspended, where national/regional lockdowns or other circumstances have required

2020 production guidance revisions		Previous guidance 2020	Current ⁽¹⁾ Guidance 2020	2020 weighting	
				H1	H2
Copper - excl. African Copper	kt	975 ± 25	975 ± 20	47%	53%
Copper - African Copper	kt	325 ± 25	280 ± 25	50%	50%
Copper	kt	1,300 ± 50	1,255 ± 45	48%	52%
Cobalt	kt	29 ± 4	28 ± 2	48%	52%
Zinc	kt	1,265 ± 30	1,160 ± 30	50%	50%
Nickel	kt	125 ± 5	122 ± 5	46%	54%
Ferrochrome	kt	1,340 ± 25	1,000 ± 25	47%	53%
Coal	mt	135 ± 4	132 ± 3 ²	47%	53%
Oil	mdbl	6.5 ± 0.2	Under review	n.a.	n.a.

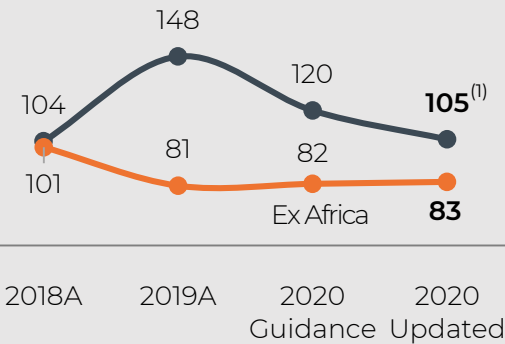
Responding to COVID-19

Adapting our business

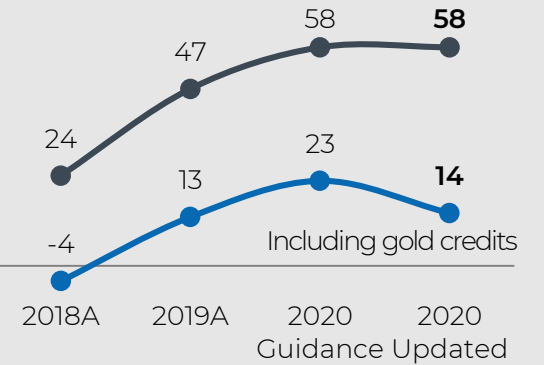
- **We have quickly moved to reposition the business for the changed macroeconomic environment**
- **Liquidity has been reinforced**
 - Refinancing and extension of our Revolving Credit Facilities on the same commercial terms as last year
 - Deferral of distribution decision to Q3 2020
- **Industrial asset capex has been cut**
 - Planned \$1 to \$1.5bn reduction (from \$5.5bn) from asset curtailments and associated capex savings, various deferrals and lower equivalent USD costs due to generally weaker producer currencies and lower input costs, particularly through oil price changes
- **Mine costs for key commodities have been reduced**
 - Focused cost control, lower energy costs, favourable FX and higher precious metal by-products underpin lower costs

Leading cost/margin positions in our key commodities

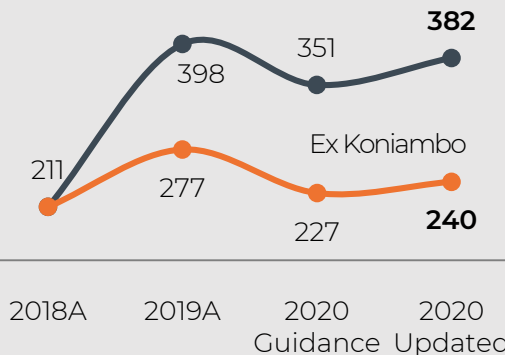
Copper mine costs (¢/lb)



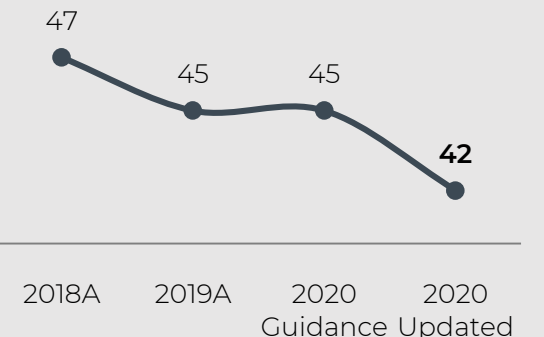
Zinc mine costs (¢/lb)



Nickel mine costs (¢/lb)




Thermal coal FOB cash costs (\$/t)



Well positioned to navigate the current challenges

- **Flexible business model that adapts quickly to changing conditions**
- **Unique combination of industrial assets and marketing**
 - Diversified portfolio of large-scale low-cost commodities that will underpin the energy and mobility transition and high quality thermal coal that provides access to affordable and reliable energy
 - Marketing business earnings resilience through the cycle
- **Resilient and flexible balance sheet, commitment to strong BBB/Baa rating**
- **Disciplined approach to value over volume**
- **Experienced management team focused on maximising value creation**



Appendix

Who we are

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.



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. 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 say what we mean and do what we say. We 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 straight-forward 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.

Key facts and figures

Glencore is a leading integrated producer and marketer of commodities, with worldwide activities in the production, processing, refining, third party procurement, storage and transport of those products

60
commodities

35
countries

Our business is split into two divisions:

Industrial **Marketing**



180
mining and metallurgical sites and oil production assets and offices

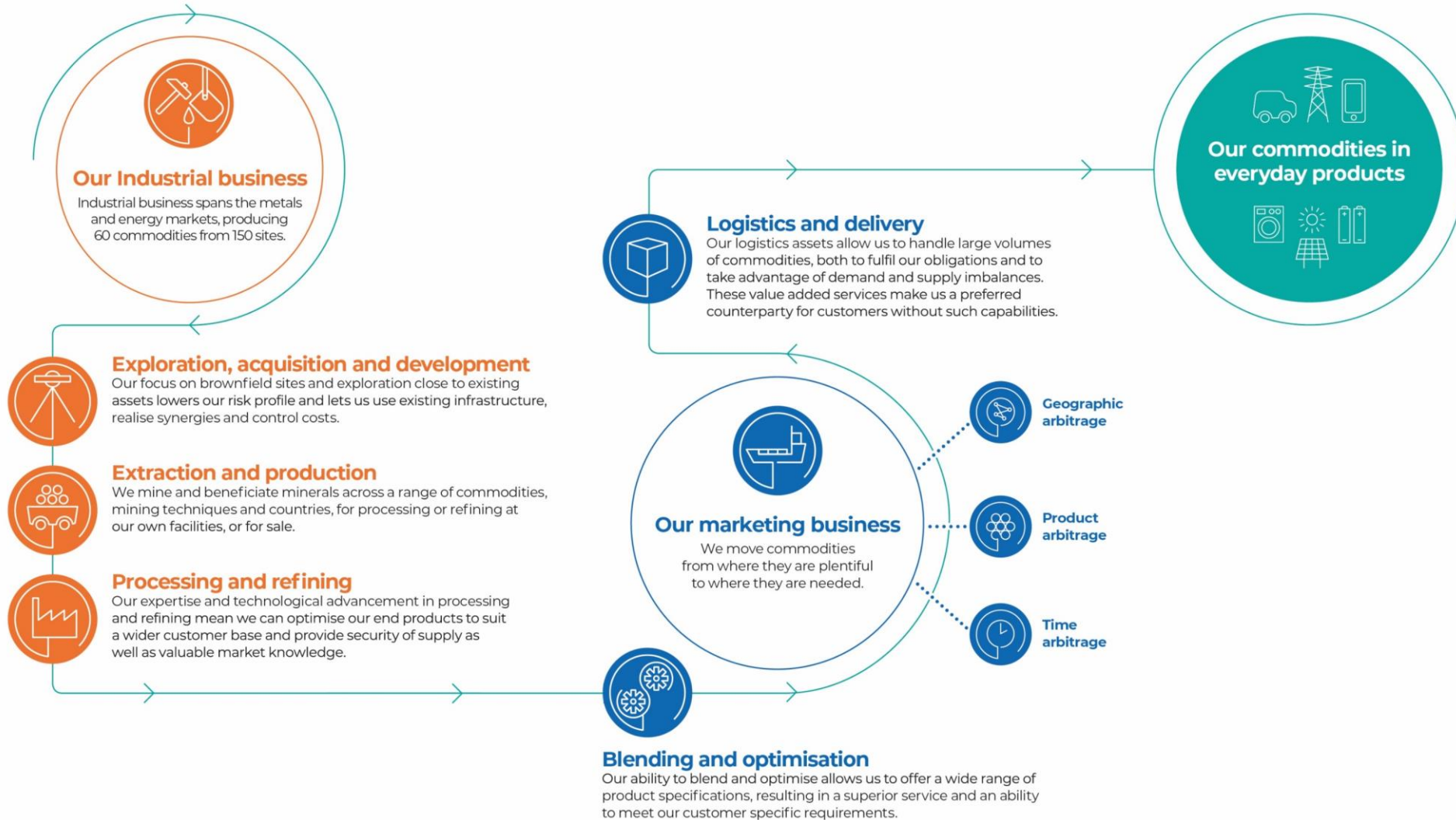
We employ approximately
160,000
people, including contractors

Listed on London and Johannesburg Stock Exchanges

Current credit rating:
S&P BBB+ (Stable)
Moody's Baa1 (Negative)

Our business model

Responsibly sourcing the commodities that advance everyday life



Our Industrial business

We are a major responsible supplier of many of the commodities needed for energy and mobility transition

	Cu Copper	Co Cobalt	Ni Nickel	Pb Lead	Zn Zinc	V Vanadium	Coal Thermal Coal
Application	Batteries Solar Power Wind Power Mobility Electronics Grid	Batteries Wind Power Mobility Electronics Grid	Batteries Solar Power Wind Power Mobility Electronics Grid	Batteries Solar Power Wind Power	Batteries Solar Power Wind Power	Batteries Solar Power Wind Power Electronics Grid	Low-cost baseload power Cement manufacture
Glencore production⁽¹⁾	1.37Mt	46kt	121kt	280kt	1.08Mt	9.1kt	124Mt
Global supply⁽²⁾	20.6Mt	140.5kt	2.45Mt	5.1Mt	13.1Mt	108kt	c.6 billion tonnes

Our Industrial business

We have secured strategic long-term cobalt partnerships

Enabling the energy and mobility transition

- Cobalt is a key lithium-ion battery raw material, essential for the electric vehicle and mobile phone markets

Our cobalt hydroxide marketing strategy

- Long-term supply agreements with geographically diversified key players along the lithium-ion battery supply chain

Our commitment to responsible production



- Our DRC cobalt operations will be independently audited each year against the “Cobalt Refinery Supply Chain Due Diligence Standard”.
- This standard is defined by the Responsible Mining Initiative (RMI)

Providing security of supply to our customers

- Long term availability of responsibly sourced cobalt from a reliable supplier for our customers

Cobalt long-term contracts



29 May 2019

“Long-term revolving agreement for the supply of cobalt hydroxide to Umicore’s battery materials value chain”



7 October 2019

“A minimum of 61,200 tonnes of Cobalt between 2020 and 2024”



19 November 2019

“Up to c.30,000 tonnes of cobalt contained in hydroxide between 2020 and 2025. With this contract, SK Innovation can produce batteries for 3 million EVs”



10 February 2020

“Up to 21,000 tonnes of cobalt contained in cobalt hydroxide between 2020 and 2024”

SAMSUNG SDI

Our Industrial business

We have significant growth options (overwhelmingly brownfield) for when markets require these commodities



- **Coroccohuayco:** Peru
- **El Pachon:** Argentina
- **Polymet:** USA
- **Collahuasi expansion:** Chile
- **Agua Rica (integrated with Alumbreira):** Argentina
- **Mutanda sulphides:** DRC
- **Lomas Bayas sulphides:** Chile



- **Mutanda sulphides:** DRC



- **Nickel Rim Depth:** Canada
- **Moose Lake:** Canada
- **Norman West:** Canada
- **Raglan Phase 2 extensions:** Canada



- **Volcan projects:** Peru
- **Obruchevskoye:** Kazakhstan
- **Novo-Leninogorsky:** Kazakhstan
- **Chekmar:** Kazakhstan
- **Vasilkovskoye UG:** Kazakhstan
- **Pallas Green:** Ireland
- **Hackett River:** Canada



- **Argent:** South Africa
- **Nooitgedacht:** South Africa
- **Zonnebloem P2:** South Africa
- **Valeria:** Australia
- **Glendell North:** Australia
- **Mangoola North:** Australia
- **Bulga extension:** Australia
- **HVO extension:** Australia

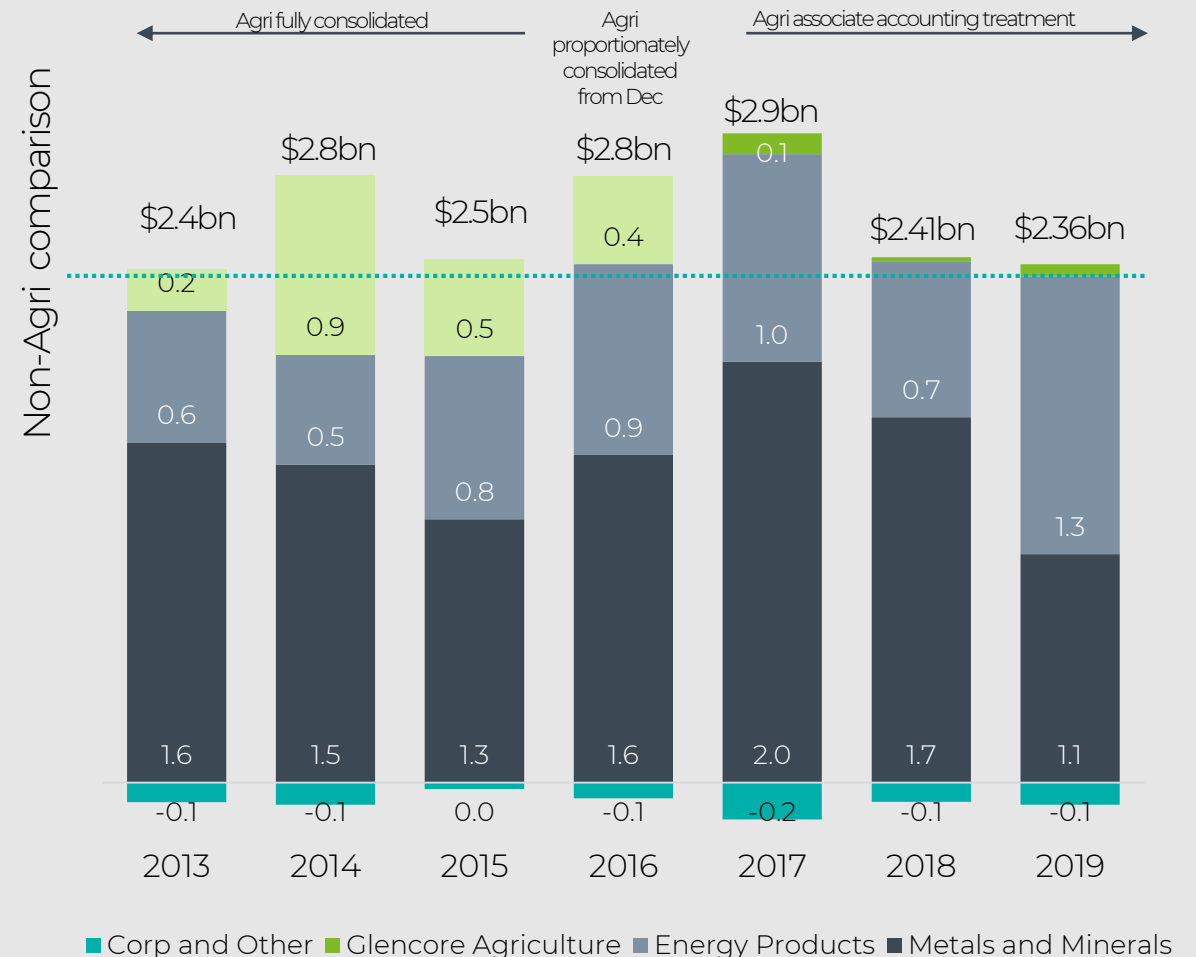
Our Marketing business

Resilient earnings with high cash conversion

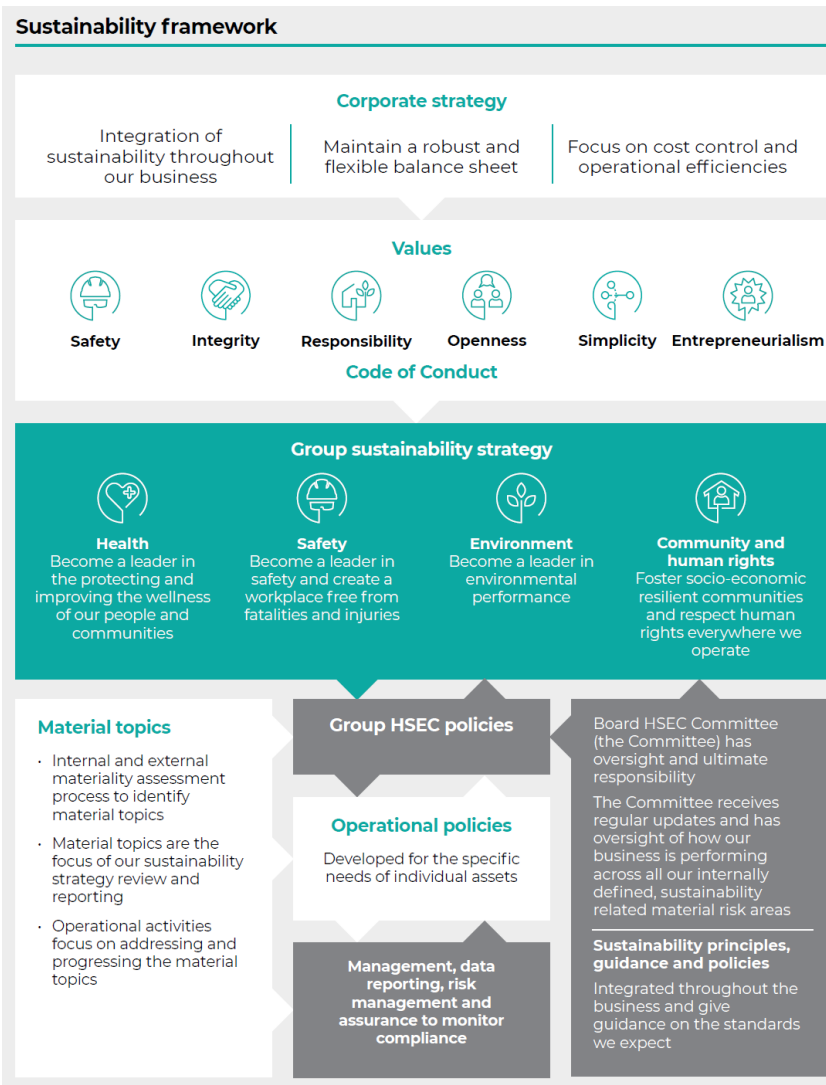
Marketing earnings are generated from the handling, blending, distribution and optimisation, in substantial scale, of physical commodities, augmented by arbitrage opportunities

- Earnings diversified by commodity / geography
- Defensive but with upside in constructive marketing conditions
- Strong earnings base, low cost of capital and low capex intensity produce consistently high returns on equity
- Marketing long-term Adjusted EBIT guidance range: \$2.2-\$3.2bn per annum
 - Performance towards the top end of guidance requires the alignment of conditions for many/all commodities that reflect: production/volume growth; tight/tightening physical market conditions; selective deployment of additional working capital and higher interest rates

Marketing Adjusted EBIT (\$bn)



Our sustainability strategy



It is our responsibility to not only deliver financial performance but also make a positive contribution to society and operate in a responsible and transparent manner

Our sustainability strategy

- 1) Health:** Become a leader in the protection and improvement of our people's and communities' wellbeing
- 2) Safety:** Become a leader in workplace safety, eliminating fatalities and injuries
- 3) Environment:** Minimise any negative impact from our operations
- 4) Community and human rights:** Foster sustainable growth and respect human rights wherever we operate



International Labour Organization

Our commitment to the transition to a low-carbon economy

Our commitment includes:

1 Paris-consistent strategy / capital discipline

- Our 2019 capital expenditure⁽²⁾ was weighted towards energy transition materials, including:
 - African copper and cobalt
 - Nickel in Canada
- Natural depletion of our coal resource base in Colombia and to a lesser extent South Africa and Australia (and oil), will contribute to reduction of our absolute Scope 3 emissions over time
- **We project a c.30% reduction in Scope 3 emissions by 2035⁽³⁾**

2 New 2020 public Scope 1 and 2 targets

- **To date we have achieved a c.10% reduction in Scope 1 and 2 emissions intensity since 2016** – vs our target of 5%⁽⁴⁾
- New longer-term Scope 1 and 2 targets that support the Paris goals will be released during 2020

3 Review of progress

- Annual update on performance disclosed on our website and in our Annual and Sustainability reports

4 Alignment with TCFD

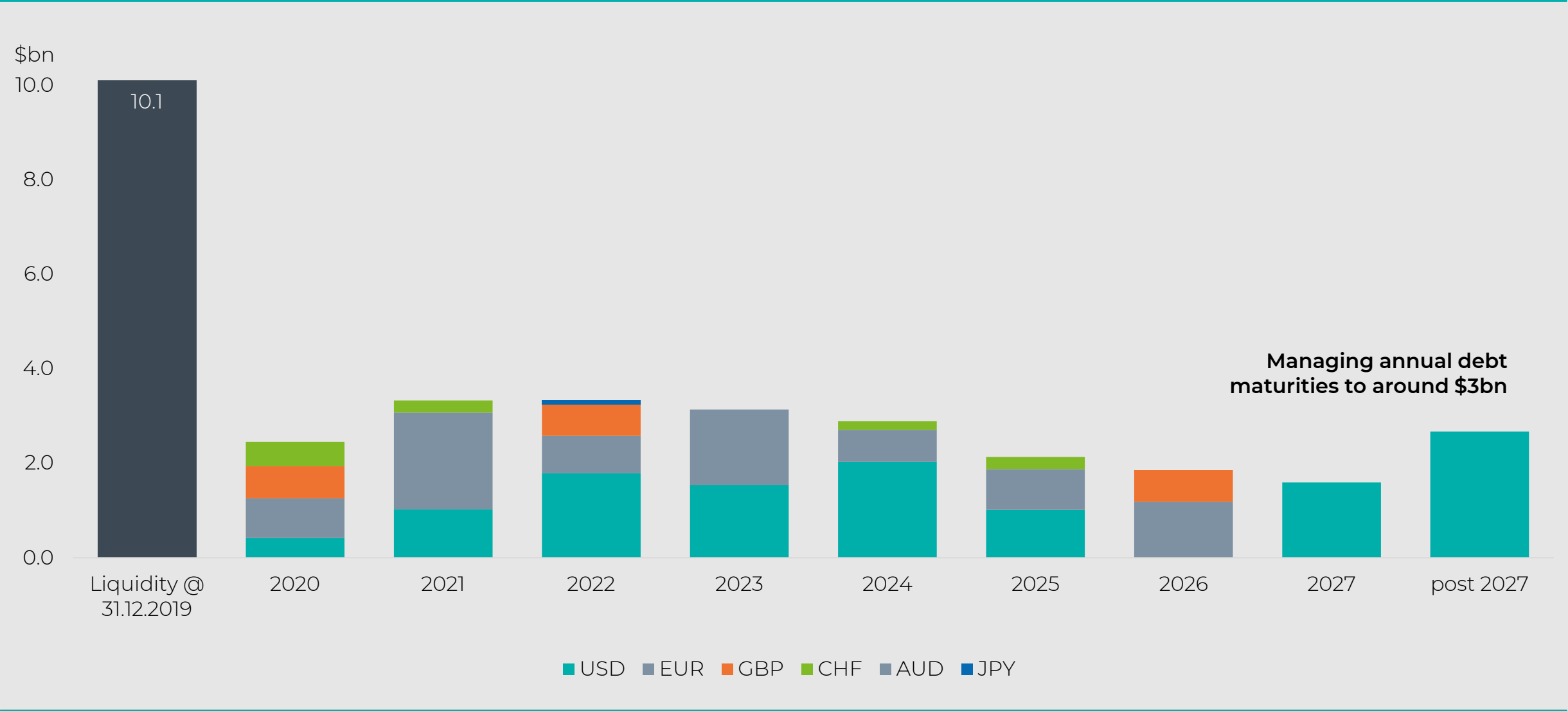
- We continue to implement the recommendations of the TCFD in our annual reporting.

5 Corporate climate change lobbying

- Review of trade associations completed in 2019⁽⁵⁾

Our Debt maturity profile

Capital market notes : \$23.4bn as at 31 December 2019⁽¹⁾



Our technology business

Leading industry technology for decades: Premus, CTSCo, Onaping Depth electric mine

GLENCORE TECHNOLOGY

- **Global leader in metals and minerals processing technology for more than 30 years**
- **Supplies services/technology to 22 of the 26 ICMM members**
 - **IsaMill** – Grinding/Ultrafine grinding: 129 installations across 21 countries
 - **IsaKidd** – Copper refining: produces >11 million tpy of copper from more than 100 licences (c.47% of global copper supply)
 - **Jameson Cell** – Flotation: 350 installations across 30 countries
 - **IsaSmelt** – Lead and copper smelting: more than 9 million tpy of copper containing materials smelted with IsaSmelt
 - **Albion Process** – Oxidative leaching of base/precious metal sulphide concentrates

XPS | EXPERT
PROCESS
SOLUTIONS
A GLENCORE COMPANY

- **Team of world-class metallurgists, engineers, geoscientists, technicians and technologists with real world experience in process development/optimisation, asset integrity management and mine/process automation**
- **Supplies services to 38 clients across the world's major mining districts**

Process Mineralogy

Mineral processing, mineralogy, sampling and applied statistics

Extractive Metallurgy

Metallurgy, Pyrometallurgical Modelling, Piloting and Test Work

Plant Support

In-Plant Support Services, Start-up and Commissioning

Process Control

Process Control Solutions

Materials Technology

Materials Selection and Equipment Failure Analysis and Prevention

