

GLENCORE

GLENCORE PLC

(Incorporated in Jersey under the Companies (Jersey) Law 1991)

(Registration number 107710)

JSE Share Code: GLN

LSE Share Code: GLEN

ISIN: JE00B4T3BW64

LEI: 2138002658CPO9NBH955

NEWS RELEASE

Baar, 30 July 2021

Half-Year Production Report 2021

Glencore Chief Executive Officer, Gary Nagle:

"Our Industrial operating assets continued to manage responsibly and effectively amid the health and logistical challenges presented by Covid-19, while, from a market perspective, we remain disciplined in a recovering, yet somewhat uncertain, global economic picture. I am particularly pleased to report an improved safety performance. We relaunched our "SafeWork" program earlier this year to address underlying issues in historical safety performance. Unfortunately, we recorded the loss of one life at Glencore's managed operations in the first half. We remain relentless in our ambition to achieve a fatality-free business.

"In our key copper and zinc businesses, production met our H1 guidance, while planned coal and nickel volumes were impacted by a range of factors during the half. Prodeco's care and maintenance and market-driven Australian supply reductions since H2 2020 are mainly responsible for a 16% period-on-period decline in coal production. Nickel production was constrained by various operating issues at Koniombo, with a restart of its second production line currently expected in August.

"Our Marketing business has again performed well, with constructive market conditions allowing us to raise our full year 2021 EBIT expectations to the top end of our \$2.2-\$3.2 billion p.a. guidance range.

"In the near term we remain alert to the continuing challenges of Covid-19, and our operational teams remain focussed on operating safely and responsibly to create sustainable long-term value for all stakeholders."

Production from own sources – Total⁽¹⁾

		H1 2021	H1 2020	Change %
Copper	kt	598.0	588.1	2
Cobalt	kt	14.8	14.3	3
Zinc	kt	581.8	550.1	6
Lead	kt	117.0	127.9	(9)
Nickel	kt	47.7	55.2	(14)
Gold	koz	423	411	3
Silver	koz	15,984	14,185	13
Ferrochrome	kt	773	466	66
Coal - coking	mt	4.1	3.7	11
Coal - semi-soft	mt	2.6	2.6	–
Coal - thermal	mt	42.0	51.8	(19)
Coal	mt	48.7	58.1	(16)
Oil (entitlement interest basis)	kboe	2,557	2,612	(2)

1. Controlled industrial assets and joint ventures only. Production is on a 100% basis, except as stated later in this report.

H1 production highlights

- Own sourced copper and cobalt production of 598,000 tonnes and 14,800 tonnes, respectively, was modestly higher than H1 2020.
- Own sourced zinc production of 581,800 tonnes was 31,700 tonnes (6%) higher than H1 2020, mainly relating to recovery from Covid-related suspensions in Q2 2020, particularly in Peru.
- Own sourced nickel production of 47,700 tonnes was 7,500 tonnes (14%) below H1 2020 due to planned major maintenance at Murrin and various operational issues at Koniombo.
- Own sourced gold and silver production were, respectively, 3% and 13% ahead of H1 2020.
- Attributable ferrochrome production of 773,000 tonnes was 307,000 tonnes (66%) higher than H1 2020, reflecting that mining and smelting operations were suspended for much of Q2 2020 due to the South African national lockdown.
- Coal production of 48.7 million tonnes was 9.4 million tonnes (16%) lower than H1 2020, reflecting a full period of Prodeco care and maintenance (3.8 million tonnes), various movements in the Australian portfolio, mainly reflecting the continued market-driven supply reductions initiated in H2 2020 (5.0 million tonnes).

HIGHLIGHTS

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tonnes) and reduced export rail capacity in South Africa (1.4 million tonnes), partly offset by the recovery at Cerrejón from its Covid-related restrictions in the base period.

- Entitlement interest oil production of 2.6 million barrels of oil equivalent (boe) was broadly in line with H1 2020, reflecting the offsetting effects of the Chad oil fields placed on care and maintenance in April 2020 and the gas phase of the Equatorial Guinea project commencing in February 2021.

Realised prices

US\$ million	Realised	
	c/lb	\$/t
Copper	425	9,370
Zinc	128	2,831
Nickel	788	17,372

The average Newcastle coal (NEWC) settlement prices for the period was \$98.85/t. After applying a portfolio mix adjustment (component of our regular coal cash flow modelling guidance) of \$26.60/t to reflect e.g. movements in the pricing of non-NEWC quality coals, coking coal margins and the lag effect of 2020's JPU fixed-price contracts, an average thermal-equivalent realised price of c.\$72.25/t can be applied across all coal sales volumes in H1. Own sourced copper sales during the period were c.21kt lower than production and own sourced zinc sales were c.20kt higher than production.

Production guidance

		Actual FY 2020	Previous guidance 2021	Current guidance 2021	2021 weighting	
					H1	H2
Copper	kt	1,258	1,220 ± 30	1,220 ± 30	49%	51%
Cobalt	kt	27.4	35 ± 2	35 ± 3	42%	58%
Zinc	kt	1,170	1,250 ± 30	1,170 ± 30 ⁽¹⁾	50%	50%
Nickel	kt	110	117 ± 5	105 ± 5	45%	55%
Ferrochrome	kt	1,029	1,400 ± 30	1,430 ± 30	54%	46%
Coal	mt	106	113 ± 4	104 ± 4	47%	53%

1 Excludes Volcan

- Changes to guidance mainly reflect: lower H2 for zinc, due to a lengthier expected ramp-up at the recently-commissioned Zhairam mine in Kazakhstan; extended maintenance at the Koniombo nickel plant, delaying a return to a two-line processing operation; and reduced coal production volumes, on account of export rail constraints and weaker domestic demand in South Africa and a slower recovery from the Australian market-driven supply reductions initiated in H2 2020.

To view the full report please click:

https://www.glencore.com/dam/jcr:9897d2a2-0d44-491f-9912-0728c92e69f4/GLEN_2021-HY_ProductionReport.pdf and on the JSE on <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/GLN/H1Rep2021.pdf>.

For further information please contact:

Investors

Martin Fewings t: +41 41 709 2880 m: +41 79 737 5642 martin.fewings@glencore.com

Media

Charles Watenphul t: +41 41 709 2462 m: +41 79 904 3320 charles.watenphul@glencore.com

www.glencore.com

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Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. The Group's operations comprise around 150 mining, metallurgical and oil production assets. With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by a global network of more than 30 marketing offices. Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 135,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative. Our ambition is to be a net zero total emissions company by 2050.

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