

GLENCORE

NEWS RELEASE

Baar, 8 August 2023

2023 Half-Year Report

Highlights

Glencore's Chief Executive Officer, Gary Nagle, commented:

"The strength of our diversified business model across industrial and marketing, focusing on metals and energy, has again proved itself adept in a range of market conditions.

"Against the backdrop of a normalisation of commodity market imbalances and volatility, primarily across the energy spectrum, our Marketing and Industrial segments posted a healthy earnings performance, delivering Group Adjusted EBITDA of \$9.4 billion, cash generated by operating activities of \$8.4 billion and Net income attributable to equity holders of \$4.6 billion.

"Reflecting these solid headline earnings, together with a \$3.7 billion release of net working capital, including \$1.4 billion of readily marketable inventories, net funding remained static over the period, after disbursing \$5.2 billion of shareholder returns, \$2.5 billion of net capital expenditure and \$2.7 billion of final 2022 tax payments in Australia and Colombia. Net debt finished the period at \$1.5 billion.

"Our shareholder returns framework of managing Net debt, in the ordinary course of business, around a \$10 billion cap, with deleveraging periodically returned to shareholders, informed today's announcement of additional "top-up" returns of c.\$2.2 billion, lifting total announced shareholder returns this year to c.\$9.3 billion.

"As the world moves towards a low-carbon economy, we remain focused on supporting the energy needs of today whilst investing in our transition metals portfolio. Over the year to date, we committed \$1.25 billion, mainly on purchasing the balance of the large, long-life MARA copper project, not already held by Glencore, and acquiring a minority stake in Alunorte, a world class alumina refinery, thereby providing Glencore with long-term exposure to lower-quartile carbon alumina.

"We look to the future confident that we have the right pathway to succeed in a Net-zero economy and create sustainable long-term value for all stakeholders, while operating in a responsible and ethical manner across all aspects of our business."

US\$ million	HI 2023	HI 2022	Change %	2022
Key statement of income and cash flows highlights:				
Revenue	107,415	134,435	(20)	255,984
Adjusted EBITDA ¹	9,397	18,918	(50)	34,060
Adjusted EBIT ²	6,305	15,415	(59)	26,657
Net income for the period attributable to equity holders	4,568	12,085	(62)	17,320
Earnings per share (Basic) (US\$)	0.36	0.92	(61)	1.33

US\$ million	30.06.2023	31.12.2022	Change %
Key financial position highlights:			
Total assets	121,754	132,583	(8)
Total equity	41,173	45,219	(9)
Net funding ²	27,533	27,500	0
Net debt ²	1,542	75	1,956
Ratios:			
Net debt to Adjusted EBITDA ³	0.06	0.00	n.m

1 Refer to basis of presentation on page 7.

2 Refer to page 10.

3 HI 2023 ratio based on last 12 months' Adjusted EBITDA, refer to APMs section for reconciliation.

♦ Adjusted measures referred to as Alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards; refer to APMs section on page 73 for definitions and reconciliations and to note 3 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

HIGHLIGHTS

continued

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 commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that support decarbonisation while meeting the energy needs of today.

With around 140,000 employees and contractors and a strong footprint in over 35 countries in both established and emerging regions for natural resources, our marketing and industrial activities are supported by a global network of more than 40 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 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.

We recognise our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising our own operational footprint. We believe that we should take a holistic approach and have considered our commitment through the lens of our global industrial emissions. Against a 2019 baseline, we are committed to reducing our Scope 1, 2 and 3 industrial emissions by 15% by the end of 2026, 50% by the end of 2035 and we have an ambition to achieve net zero industrial emissions by the end of 2050. For more detail see our 2022 Climate Report on the publication page of our website at [glencore.com/publications](https://www.glencore.com/publications).

CHIEF EXECUTIVE OFFICER'S REVIEW

Following 2022, a year characterised by extreme global geopolitical and economic turbulence, generating extraordinary energy market dislocation, volatility, supply disruption and record prices for many coal and gas benchmarks, 2023 has, for the most part, seen energy trade flows rebalance and normalise, with coal, oil and gas prices materially declining over H1 2023.

In addition to the significant weakening in energy markets, the recent overall cycle of inflation, tighter monetary conditions and limited global economic growth, contributed to average period-over-period price reductions in copper, cobalt, nickel and zinc of 11%, 59%, 13% and 26% respectively.

While lower energy prices have recently tempered some of the inflationary pressures in key Western markets, the restart of previously shuttered energy-intensive industries, including some steel, zinc and aluminium production, has been limited by weak end-user markets, particularly in Europe.

At the same time, the reopening of China, following the lifting of Covid restrictions in late 2022, accelerated demand from domestic consumer sectors through Q2 2023, which together with continued investment in infrastructure and the energy transition, somewhat neutralised the persistent weakness in the property market, keeping China's base metals demand positive and visible inventories low.

2023 HALF-YEAR FINANCIAL SCORECARD

Against the backdrop of a normalisation of commodity market imbalances and volatility, earnings from our Marketing and Industrial segments fell, reducing Group Adjusted EBITDA to \$9.4 billion, down 50% period-on-period. Net income before significant items declined 61% to \$4.2 billion, while significant items, largely reflecting a gain on the sale of Cobar, increased Net Income attributable to equity holders to \$4.6 billion.

Marketing, nonetheless, posted a robust result, with Adjusted EBIT of \$1.8 billion, annualising above our \$2.2-3.2 billion p.a. long-term guidance range, albeit it was 52% below last year's exceptionally strong performance. The more subdued energy market environment saw Adjusted EBIT from Energy Products fall 66% to \$1.0 billion, while Metals and Minerals Adjusted EBIT fell 18% to \$0.8 billion, in line with the generally weaker macroeconomic sentiment.

Industrial Adjusted EBITDA declined 51% to \$7.4 billion for the period, impacted primarily by lower pricing, particularly in coal, as well as inflationary cost impacts across the asset base, much of it having lagged and been heavily influenced by the surge in energy prices during 2022. Coal Adjusted EBITDA decreased 49% to \$4.5 billion, while significantly weaker gas markets were largely responsible for a 77% reduction in Oil Adjusted EBITDA to \$131 million.

Similarly in our industrial metals, weaker period-on-period prices were largely responsible for a 48% decline in Adjusted EBITDA to \$3.1 billion, with realised cobalt hydroxide pricing, being particularly weak. Lower production was also a factor, including mine sequencing at Collahuasi and the impact of last year's Raglan strike on own-source refined nickel production during the period, with both operations expected to strongly recover in H2.

Associated with the return to more normal commodity markets and volatility levels, the prior period required investment in net working capital was partially released, whereby non-RMI net working capital recorded an inflow of \$2.2 billion over the half, primarily reflecting a \$2.1 billion reduction in net initial margin calls and \$1.1 billion of lower net physical forward commodity contract valuations, all primarily due to lower energy prices (oil, gas, coal), less the final amount of \$0.5 billion paid in respect of the DOJ resolutions and a \$0.9 billion reduction in deferred income.

These various inflows were sufficient to settle \$2.7 billion, due in H1 2023, in respect of 2022 final income tax payments in Australia and Colombia, fund \$2.5 billion of net capital expenditure and \$5.2 billion of shareholder distributions and buybacks, such that net funding was largely flat over the period. Due to a \$1.4 billion reduction in RMI, net debt increased from \$0.1 billion to \$1.5 billion.

TOP-UP SHAREHOLDER RETURNS

Our shareholder returns framework of managing Net debt, in the ordinary course of business, around a \$10 billion cap, with deleveraging, after the base distribution, periodically returned to shareholders, informs our announcement of additional "top-up" returns of c.\$2.2 billion, lifting total shareholder returns this year to c.\$9.3 billion. This "top-up" payment will be effected by way of a c.\$1 billion (\$0.08 per share) special distribution and a new \$1.2 billion buyback programme intended to run until the release of our full year results in February 2024. The special distribution of \$0.08 per share will be paid alongside the second tranche of the 2022 distribution, lifting the total payment to \$0.30 per share on 22 September.

OUR CLIMATE AMBITION

At our 2023 AGM, shareholders gave broad support for the progress of our 3-year Climate Action Transition Plan, with c.70% voting in favour, recognising the importance of maintaining a strategy that remains resilient to the risks and opportunities of the evolving energy transition, along with encouragement to continue our focus on progressing towards our ambition of achieving net zero industrial emissions by 2050. We recognise that some shareholders chose not to support this resolution and we will continue to engage with shareholders so as to ensure their views are fully understood. We will publish an update on this engagement, in accordance with the UK Corporate Governance Code, within six months of the 2023 AGM.

RESPONSIBLE AND ETHICAL PRODUCTION AND SUPPLY

We recognise our ongoing responsibility to not only deliver financial performance but also make a positive contribution to society and create lasting benefits for stakeholders in a manner that is responsible, transparent and respects the rights of all.

The implementation of our relaunched SafeWork framework in mid-2021 has been a key focus for our industrial assets and commodity departments. Good progress has been made Group-wide, but I am saddened to report that we recorded the loss of one life at Glencore's managed operations over the year to date. We believe that consistent application and reinforcement of our SafeWork framework, through strong visible leadership, can drive and deliver the safety culture and operating discipline we are looking for, and get all our people home safe.

Aligned with our business strategy of supporting the energy needs of today, whilst investing in our transition metals portfolio, we are of the view that the likely scale and pace of global mine project development, in certain critical minerals, will struggle to meet the commodity demand that the transition is expected to create and require.

Glencore is well placed to participate in bridging this gap in supply through the flexibility that exists in our business to respond to global needs. We are directing most of our capital expenditure, in large part funded through the earnings of our energy business, towards development of our transition metals portfolio.

Although the following transactions still require final approvals, during the year to date we concluded an agreement with Norsk Hydro to acquire a 30% equity stake in Alunorte and a 45% equity stake in Mineracão Rio do Norte S.A, securing lower-quartile carbon alumina units for our Marketing business. In copper, we agreed to acquire Pan American Silver's 56.25% interest in the large MARA brownfield copper project in Argentina, taking Glencore's stake to 100%, and we also agreed to acquire the remaining minorities (c.18%), in Polymet, being the 50:50 JV partner in the New Range Copper Nickel venture with Teck Resources in Minnesota.

On a more transformational scale, we approached Teck Resources in late March with a proposal to merge Glencore and Teck to create, via a demerger, two leading standalone businesses: MetalsCo: a world-class standalone transition metals focused business, comprising Glencore's and Teck's metals and minerals assets, Glencore's metals and energy (excluding coal) marketing, recycling and distribution businesses; and CoalCo: a highly cash-generative standalone coal and carbon steel materials business comprising Glencore's and Teck's coal assets, Glencore's ferroalloys assets and Glencore's coal and ferroalloys marketing businesses.

Our proposal for the merger of the two companies was rejected by Teck and, while we remain willing to pursue the above merger-demerger, we have submitted an alternative proposal to acquire Teck's steelmaking coal business ("EVR") for cash, to allow for a value accretive demerger of the combined coal and carbon steel materials business ("CoalCo"). If such a transaction were to materialise, Glencore would demerge CoalCo, once Glencore has sufficiently delevered, which is expected approximately 12-24 months from close.

In this regard, Glencore would manage its post-demerger balance sheet, post servicing its formulaic base distribution, to a revised c.US\$5 billion net debt cap, down from the current level of c.US\$10 billion, alongside our continued commitment to minimum strong BBB/Baa ratings. In the calculation of "top-up" shareholder returns for the current period, we positioned for an amount of \$2.0 billion towards such potential transaction, as a reasonable balance between rewarding shareholders today, and ensuring that the company is appropriately capitalised to seamlessly effect an EVR transaction and allow for the subsequent demerger of CoalCo as soon as practicable.

Glencore is fully committed to ensuring that a transaction with Teck would benefit Canada and is open to working with Teck to identify a comprehensive suite of commitments for the benefit of all relevant stakeholders.

Furthermore, in June 2023, Glencore, Canada Pension Plan Investment Board and British Columbia Investment Management Corporation (collectively the JV partners in Viterra), concluded an agreement to merge Viterra with Bunge in a cash and stock transaction to create a premier diversified global agribusiness solutions company. For its 50% stake, Glencore will receive \$1.0 billion in cash and c.\$3.1 billion in Bunge stock (basis Bunge's stock price at the date of announcement, but worth c.\$3.8 billion (up 23%) as of 4 August 2023). The merger is expected to close in mid-2024.

Glencore continues to cooperate with the previously disclosed and ongoing investigation by the Office of the Attorney General of Switzerland into Glencore International AG for failure to have the organisational measures in place to prevent alleged corruption and an investigation of similar scope by the Dutch Public Prosecution Service. The timing and outcome of these investigations remain uncertain.

The independent compliance monitors mandated under our resolutions with the DOJ have been appointed and commenced their work. We look forward to working with them co-operatively and constructively as they review our Ethics and Compliance programme.

CHIEF EXECUTIVE OFFICER'S REVIEW

continued

OUTLOOK

Moderating inflation and supportive government policy in China across key end-user sectors, are bringing a more positive macroeconomic backdrop in H2 2023. Low metal inventories, higher production costs, geopolitical uncertainty and energy transition demand are all supportive of above-average real-term prices through the cycle and into the longer term.

The strength of our diversified business model across industrial and marketing, focusing on metals and energy, has proved itself adept in a range of market conditions, giving us a solid foundation to successfully navigate the near-term macroeconomic uncertainty, as well as meet the resource needs of the future. I would like to thank all our employees for their efforts and significant contribution during the first half. As always, we remain focused on operating responsibly and ethically and creating sustainable long-term value for all our stakeholders.



Gary Nagle

Chief Executive Officer

FINANCIAL AND OPERATIONAL REVIEW

BASIS OF PRESENTATION

The financial information in the Financial and Operational Review is presented on a segmental measurement basis, including all references to revenue (see note 3) and has been prepared on the basis as outlined in note 2 of the condensed consolidated interim financial statements, with the exception of the accounting treatment applied to relevant material associates and joint ventures for which Glencore's attributable share of revenues and expenses are presented. In addition, the Peruvian listed Volcan, while a subsidiary of the Group, is accounted for using the equity method for internal reporting and analysis due to the relatively low economic interest (23%) held by the Group.

The Group's results are presented on an "adjusted" basis, using alternative performance measures (APMs) which are not defined or specified under the requirements of IFRS, but are derived from the financial statements, prepared in accordance with IFRS, reflecting how Glencore's management assesses the performance of the Group. The APMs are provided in addition to IFRS measures to aid in the comparability of information between reporting periods and segments and to aid in the understanding of the activities taking place across the Group by adjusting for Significant items and by aggregating or disaggregating (notably in the case of relevant material associates and joint ventures accounted for on an equity basis) certain IFRS measures. APMs are also used to approximate the underlying operating cash flow generation of the operations (Adjusted EBITDA). Significant items (see reconciliation below) are items of income and expense, which, due to their nature and variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting, and analysis of Glencore's results, to aid in providing an understanding and comparative basis of the underlying financial performance.

APMs used by Glencore may not be comparable with similarly titled measures and disclosures by other companies. APMs have limitations as an analytical tool, and a user of the financial statements should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations; and they may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of its future results.

Alternative performance measures are denoted by the symbol \diamond and are further defined and reconciled to the underlying IFRS measures in the APMs section on page 73.

MARKET CONDITIONS

Select average commodity prices

	Spot 30 Jun 2023	Spot 31 Dec 2022	Average H1 2023	Average H1 2022	Change in average %
S&P GSCI Industrial Metals Index	408	451	443	534	(17)
S&P GSCI Energy Index	245	288	258	350	(26)
LME (cash) copper price (\$/t)	8,322	8,365	8,709	9,759	(11)
LME (cash) zinc price (\$/t)	2,382	3,003	2,839	3,819	(26)
LME (cash) lead price (\$/t)	2,144	2,337	2,127	2,261	(6)
LME (cash) nickel price (\$/t)	20,346	29,886	24,185	27,659	(13)
Gold price (\$/oz)	1,919	1,824	1,934	1,876	3
Silver price (\$/oz)	23	24	23	23	-
Fastmarkets cobalt standard grade, Rotterdam (\$/lb) (low-end)	14	19	15	37	(59)
Ferro-chrome 50% Cr import, CIF main Chinese ports, contained Cr (¢/lb)	101	100	106	116	(9)
Iron ore (Platts 62% CFR North China) price (\$/DMT)	109	112	112	130	(14)
Coal API4 (\$/t)	100	185	129	277	(53)
Coal Newcastle (6,000) (\$/t)	138	399	204	321	(36)
Oil price – Brent (\$/bbl)	75	86	80	102	(22)

Currency table

	Spot 30 Jun 2023	Spot 31 Dec 2022	Average H1 2023	Average H1 2022	Change in average %
AUD : USD	0.67	0.68	0.68	0.72	(6)
USD : CAD	1.32	1.36	1.35	1.27	6
EUR : USD	1.09	1.08	1.08	1.10	(2)
GBP : USD	1.27	1.20	1.23	1.30	(5)
USD : CHF	0.90	0.92	0.91	0.94	(3)
USD : KZT	451	463	452	450	-
USD : ZAR	18.85	17.04	18.22	15.40	18

FINANCIAL RESULTS

Following 2022, a year characterised by extreme global macroeconomic and geopolitical events resulting in extraordinary energy market dislocation, volatility, risk, supply disruptions and record prices for various coal and gas benchmarks, 2023 has, for the most part, seen international energy trade flows rebalance and normalise, with coal, oil and gas prices materially declining. In this context, income for the period attributable to equity holders decreased from \$12,085 million in H1 2022 to \$4,568 million in H1 2023 and EPS decreased from \$0.92 per share to \$0.36 per share.

Further to such vastly different energy environment, the recent cycle of inflation, tighter monetary conditions and limited Chinese economic growth, contributed to average period-over-period price reductions in copper, cobalt, nickel and zinc of 11%, 59%, 13% and 26% respectively. Overall, largely reflecting the lower commodity prices and market volatility, Adjusted EBITDA was \$9,397 million and Adjusted EBIT was \$6,305 million in H1 2023, decreases of 50% and 59% respectively compared to H1 2022.

The H1 2023 Adjusted EBIT contribution from the Marketing segment was \$1,773 million, a decrease of 52% from the record H1 2022 period, reflecting the return to a more stable market environment, following the extreme market volatility levels, dislocations and complexities exhibited during H1 2022.

The Adjusted EBITDA contribution from the Industrial segment was \$7,410 million, a decrease of 51% period-over-period, largely due to lower coal prices, where average Newc and API4 index prices were down 36% and 53% respectively from H1 2022. In Metals, cobalt metal pricing and low payabilities for cobalt hydroxides weighed heavily on our African Copper operations, while own source production was lower at INO (nickel) and Collahuasi (copper) due, respectively, to a lengthy prior year strike and mine phasing, with both operations expected to strongly recover in H2. Furthermore, the lag effect of 2022's continuing higher inflation reads, ultimately significantly impacted H1 2023's period-over-period earnings, although we are seeing these cost headwinds now moderating. Adjusted EBITDA mining margins were 25% in our metal operations and 50% in our energy operations, compared to 43% and 66% respectively during H1 2022. See pages 19 and 20.

Adjusted EBITDA/EBIT^o

Adjusted EBITDA by business segment is as follows:

US\$ million	H1 2023			H1 2022			Change %
	Marketing activities	Industrial activities	Adjusted EBITDA	Marketing activities	Industrial activities	Adjusted EBITDA	
Metals and minerals	833	3,056	3,889	1,013	5,877	6,890	(44)
Energy products	1,193	4,658	5,851	3,177	9,465	12,642	(54)
Corporate and other ¹	(39)	(304)	(343)	(303)	(311)	(614)	(44)
Total	1,987	7,410	9,397	3,887	15,031	18,918	(50)

Adjusted EBIT by business segment is as follows:

US\$ million	H1 2023			H1 2022			Change %
	Marketing activities	Industrial activities	Adjusted EBIT	Marketing activities	Industrial activities	Adjusted EBIT	
Metals and minerals	803	1,301	2,104	985	3,969	4,954	(58)
Energy products	1,009	3,557	4,566	2,986	8,124	11,110	(59)
Corporate and other ¹	(39)	(326)	(365)	(303)	(346)	(649)	(44)
Total	1,773	4,532	6,305	3,668	11,747	15,415	(59)

¹ Corporate and other Marketing activities includes \$132 million pre-significant items (2022: \$284 million) of Glencore's equity accounted share of Viterra.

Marketing activities

Marketing delivered strong results, in a return to a more normal backdrop, following the elevated levels of market volatility, disruption and rapidly changing global commodity flows which characterised much of H1 2022. Such rebalancing and calming of markets can be seen in our lower reported VaR levels, discussed below.

Marketing Adjusted EBITDA and EBIT, at \$1,987 million and \$1,773 million respectively, were lower by 49% and 52% compared to H1 2022, mainly driven by our oil and gas department's exceptionally high base period.

Metals and minerals Adjusted EBIT was down 18% over H1 2022, largely reflecting the negative economic headwinds stemming from slowing global growth, inflationary pressures, central bank interest rate rises, and only limited growth in the key Chinese market.

During the period, agricultural markets also saw relatively more stable conditions compared to H1 2022, albeit market volatilities were still elevated. Our 50% share of earnings (captured within Corporate and Other) was \$132 million (post-interest and tax and pre-significant items) compared to \$284 million in the comparable period. In June 2023, Glencore agreed to dispose of its interest in Viterra in a cash-and-shares transaction with Bunge (see note 16).

Industrial activities

Industrial Adjusted EBITDA declined by 51% to \$7,410 million (Adjusted EBIT was \$4,532 million, compared to \$11,747 million in 2022), driven by a \$4.4 billion lower contribution from our Coal operations, owing to the substantial average period-over-period decreases in key pricing benchmarks, as well as markedly lower cobalt hydroxide realisations, some temporary constraints on own source production in H1, and significant inflationary cost pressures as noted above.

Earnings

A summary of the differences between reported Adjusted EBIT and income attributable to equity holders, including significant items, is set out in the following table:

US\$ million	H1 2023	H1 2022
Adjusted EBIT ¹	6,305	15,415
Net finance and income tax expense in relevant material associates and joint ventures ¹	(269)	(366)
Proportionate adjustment Volcan ¹	91	70
Net finance costs	(839)	(596)
Income tax expense ²	(1,364)	(3,633)
Non-controlling interests	281	(41)
Income attributable to equity holders of the Parent pre-significant items³	4,205	10,849
Earnings per share (Basic) pre-significant items (US\$) ^{3a}	0.33	0.82

Significant items⁴

Share of Associates' significant items ⁴	(79)	–
Movement in unrealised inter-segment profit elimination ⁵	176	488
Gain on acquisitions and disposals of non-current assets ⁶	679	1,463
Other expense – net ⁷	(18)	(502)
(Impairments)/reversal of impairments ⁸	(47)	40
Income tax expense ²	(367)	(284)
Non-controlling interests' share of significant items ⁹	19	31
Total significant items	363	1,236
Income attributable to equity holders of the Parent	4,568	12,085
Earnings per share (Basic) (US\$)	0.36	0.92

1 Refer to note 3 of the interim financial statements and to APMs section for reconciliations.

2 Refer to other reconciliations section for the allocation of the total income tax expense between pre-significant and significant items.

3 Based on weighted average number of shares, refer to note 18 of the interim financial statements.

4 Recognised within share of income from associates and joint ventures, see note 3 of the interim financial statements.

5 Recognised within cost of goods sold, see note 3 of the interim financial statements.

6 Refer to note 5 of the interim financial statements and to APMs section for reconciliations.

7 Recognised within other income/(expense) – net, see note 6 of the interim financial statements and to APMs section for reconciliations.

8 Refer to note 8 of the interim financial statements and to APMs section for reconciliations.

9 Recognised within non-controlling interests, refer to APMs section.

Significant items

Significant items are items of income and expense, which, due to their nature and variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting, and analysis of Glencore's results, to aid in providing an understanding and comparative basis of the underlying financial performance.

In H1 2023, Glencore recognised a net income, after tax and non-controlling interests, of \$363 million (2022: \$1,236 million) in significant items comprised primarily of:

- Movement in unrealised inter-segment profit elimination of \$176 million (2022: \$488 million). See note 3.
- Gain on acquisitions and disposals of non-current assets of \$679 million (2022: \$1,463 million), primarily related to the disposal of Cobar in June 2023. The 2022 gain resulted from the acquisition of the remaining 66.67% interest in Cerrejón (\$1,029 million) and the disposal of Ernest Henry (\$512 million). See note 5.
- Other net income/(expense) – net expense of \$18 million (2022: \$502 million) see note 6. Balance primarily comprises:
 - \$190 million (2022: net losses of \$290 million) of net foreign exchange gains, whereby 2022 primarily related to realised foreign currency losses, recycled from other comprehensive income, recognised on intragroup restructuring.
 - \$81 million (2022: \$153 million) relating to various legal matters and related costs (legal, expert and compliance), including in respect of the various investigations (see note 28).
 - \$87 million (2022: gain of \$41 million) of mark-to-market losses on equity investments / derivative positions accounted for as held for trading, including the commodity price linked deferred consideration related to the sale of Mototolo in 2018 and the ARM Coal non-discretionary dividend obligation.
 - \$Nil (2022: \$83 million) of closed site rehabilitation provisioning, being the movements in restoration, rehabilitation and decommissioning estimates related to sites that are no longer operational.
- Impairments of \$47 million (2022: reversal of impairments of \$40 million), see note 8. The current period charge relates to advances and loans, with no individually material item. The 2022 various impairment reversals resulted from significantly improved conditions in the oil and gas markets, particularly over the short-term, none of which were individually material.
- Income tax expenses of \$367 million (2022: \$284 million) – see income taxes below.

FINANCIAL AND OPERATIONAL REVIEW

continued

Net finance costs

Net finance costs were \$839 million during H1 2023, up \$243 million (27%) compared to \$596 million in the comparable reporting period. Interest expense for 2023 was \$1,160 million, up 58 % compared to H1 2022, due to higher average base floating rates (mainly SOFR). Interest income was \$321 million, up from \$140 million in H1 2022, due also to higher average base rates.

Income taxes

An income tax expense of \$1,731 million was recognised during H1 2023, compared to an expense of \$3,917 million during H1 2022. Adjusting for \$367 million of income tax expenses (2022: \$284 million) relating to significant items (primarily on account of foreign exchange fluctuations and tax losses not recognised), the H1 2023 pre-significant items income tax expense was \$1,364 million (2022: \$3,633 million). The 2023 calculated effective tax rate, pre-significant items, was 31.9%, compared to 27.9% in H1 2022.

STATEMENT OF FINANCIAL POSITION

Current and non-current assets

Total assets were \$121,754 million as at 30 June 2023, compared to \$132,583 million as at 31 December 2022. Current assets decreased from \$69,223 million to \$62,833 million, due primarily to a decrease in inventories, trade receivables, fair values of our physical forward contracts and derivative hedging instruments (other financial assets), as well as margin calls paid in respect of the Group's hedging activities, all on account of lower commodity prices at period end relative to 31 December 2022. Non-current assets decreased from \$63,360 million to \$58,921 million, primarily due to the reclassification of the investment in Viterra (\$3.8 billion) to assets held for sale (see note 16), following the announcement of an agreed disposal of this business, and a net decrease in property, plant and equipment with capital expenditure over the period being below depreciation and amortisation expense.

Current and non-current liabilities

Total liabilities were \$80,581 million as at 30 June 2023, compared to \$87,364 million as at 31 December 2022. Current liabilities decreased from \$53,420 million to \$46,643 million, primarily due to a decrease in fair values of our physical forward contracts and derivative hedging instruments (other financial liabilities), on account of the lower energy related commodity prices noted above, income tax payable, following the settlement of 2022 income tax accruals notably in Australia and Colombia, provisions (final payment of the DOJ resolutions – see note 22) and a decrease in current borrowings (see note 20). Non-current liabilities as at period end were \$33,944 million, consistent with the prior year.

Movements relating to current and non-current borrowings are set out below in the net funding and net debt movement reconciliation and in note 20.

Equity

Total equity was \$41,173 million as at 30 June 2023, compared to \$45,219 million as at 31 December 2022, the movements being primarily the income for the period of \$4,268 million, including non-controlling interests and a decrease in other comprehensive income noted below, offset by \$8,028 million of approved shareholder distributions and buybacks concluded during the period.

Other comprehensive income/(loss)

A loss of \$285 million was recognised during H1 2023, compared to an loss of \$641 million during H1 2022, relating to net mark-to-market losses of \$13 million (2022: \$1,139 million) with respect to various minority investments (see note 12) and foreign exchange translation loss of foreign operations of \$315 million (2022: \$188 million loss), primarily our South African ZAR-denominated subsidiaries, offset by foreign exchange losses recycled to the statement of income of \$Nil (2022: \$509 million) and net defined benefit plan remeasurements of \$31 million (2022: \$115 million).

Cash flow and net funding/debt

Net funding

US\$ million	30.06.2023	31.12.2022
Total borrowings as per financial statements	28,662	28,777
Proportionate adjustment – net funding ²	734	646
Cash and cash equivalents	(1,863)	(1,923)
Net funding^o	27,533	27,500

FINANCIAL AND OPERATIONAL REVIEW

continued

Cash and non-cash movements in net funding

US\$ million	H1 2023	H1 2022	H2 2022
Cash generated by operating activities before working capital changes	8,408	18,290	14,625
Proportionate adjustment – Adjusted EBITDA ¹	1,011	1,236	1,166
Non-cash adjustments included within EBITDA	24	11	24
Net interest paid ¹	(631)	(465)	(604)
Tax paid ¹	(5,462)	(3,735)	(2,169)
Dividends received from associates ¹	362	88	471
Funds from operations^o	3,712	15,425	13,513
Net working capital changes ²	3,651	(8,725)	(4,758)
Increase in long-term advances and loans	–	(200)	–
Acquisition and disposal of subsidiaries – net ²	571	762	(153)
Purchase and sale of investments – net ²	(33)	(164)	292
Purchase and sale of property, plant and equipment – net ²	(2,478)	(2,044)	(2,499)
Margin receipts/(payments) in respect of financing related hedging activities	258	(1,389)	(435)
Proceeds received on acquisition of non-controlling interests in subsidiaries	9	–	–
Distributions paid and transactions of own shares – net	(5,181)	(2,164)	(5,375)
Cash movement in net funding	509	1,501	585
Net funding acquired in business combinations	(6)	(20)	–
Change in lease obligations	(341)	(149)	(230)
Foreign currency revaluation of borrowings and other non-cash items	(195)	1,518	132
Total movement in net funding	(33)	2,850	487
Net funding ^o , beginning of period	(27,500)	(30,837)	(27,987)
Net funding^o, end of period	(27,533)	(27,987)	(27,500)
Less: Readily marketable inventories ¹	25,991	25,679	27,425
Net debt^o, end of period	(1,542)	(2,308)	(75)

1 Refer to APMs section for definition and reconciliations.

2 Refer to Other reconciliations section.

The reconciliation in the table above is the method by which management reviews movements in net funding and net debt and comprises key movements in cash and any significant non-cash items.

Net funding as at 30 June 2023 was \$27,533 million, consistent with the prior year and net debt (net funding less readily marketable inventories) increased by \$1.5 billion over the period to \$1,542 million. Funds from operations were \$3,712 million, heavily constrained by the lag effect of settlement in H1 2023, of 2022 final income tax payments, most notably in Australia (\$1.8 billion) and Colombia (\$0.9 billion), due to the high coal concentrated industrial earnings in 2022. RMI reduced by \$1.4 billion, while \$2.2 billion of net non-RMI working capital inflows were realised during the period, mainly on account of a \$2.1 billion reduction in net initial margin calls and lower net physical forward commodity contract valuations of \$1.1 billion, all due primarily to lower energy prices (oil, gas, coal), less the final amount of \$0.5 billion paid in respect of the DOJ investigations and a \$0.9 billion reduction in deferred income. These various inflows countered \$2,478 million of net capital expenditure and \$5,181 million of shareholder distributions and buybacks, such that net funding was largely flat over the period, with a \$1.5 billion increase in net debt to \$1,542 million.

Business and investment acquisitions and disposals

Net inflows from business acquisitions were \$547 million over the period, compared to an inflow of \$598 million in H1 2022, mainly comprising proceeds from the sale of Cobar (\$761 million), offset by the purchase of the remaining 75% interest, not previously owned, in the Noranda Income Fund (Canadian electrolytic zinc refinery) for \$199 million (including assumed debt). The net inflow in 2022 comprised proceeds from the sale of Ernest Henry for \$584 million (see note 24).

Liquidity and funding activities

In April 2023 (effective May 2023), Glencore refinanced its core short- and medium-term revolving credit facilities. As at 30 June 2023, the overall facilities comprise:

- \$9,060 million one-year revolving credit facility with a one-year borrower's term-out option (to May 2025); and
- \$3,900 million medium-term revolving credit facility (to May 2028).

As in previous years, these committed unsecured facilities contain no financial covenants, no rating triggers, no material adverse change clauses and no external factor clauses.

As at 30 June 2023, Glencore had available committed liquidity amounting to \$12,926 million (31 December 2022: \$13,000 million).

CREDIT RATINGS

In light of the Group's extensive funding activities, maintaining investment grade credit rating status is a financial priority. The Group's credit ratings are currently Baa1 (positive outlook) from Moody's and BBB+ (positive outlook) from Standard & Poor's. Glencore's publicly stated objective, as part of its overall financial policy package, is to seek and maintain a minimum of strong Baa/BBB credit ratings from Moody's and Standard & Poor's respectively. In support thereof, Glencore targets a maximum 2x Net debt/Adjusted EBITDA ratio through the cycle, augmented by a Net debt cap of c.\$10 billion.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a number of risks and uncertainties in its business which could impact its ability to effectively execute its strategy over the remaining six months of the year and cause actual results to differ materially from expected and/or historical results. The Directors consider that the principal risks and uncertainties as summarised below and detailed in the Glencore 2022 Annual Report on pages 89 to 103, available at www.glencore.com, remain appropriate for the remainder of 2023, when read together with the information provided in this report.

- 1. Supply, demand and prices of commodities:** Being a resources company, we are subject to the inherent risk of sustained low prices for our main commodities, particularly affecting our Industrial business. The revenue and earnings of substantial parts of our Industrial asset activities and, to a lesser extent, our Marketing activities, are dependent upon prevailing commodity prices.
- 2. Liquidity** Liquidity risk is the risk that we are unable to meet our payment obligations when due, or are unable, on an ongoing basis, to borrow funds in the market at an acceptable price to fund our commitments.
- 3. Currency exchange rates** This affects us as a global company usually selling in US dollars but having costs in a large variety of other currencies.
- 4. Counterparty credit and performance** We are subject to the risk of non-performance by our suppliers, customers, and hedging counterparties, in particular via our Marketing activities.
- 5. Geopolitical, permits and licences to operate** We control and operate assets in many countries across the globe, some of which are categorised as developing, complex or having unstable political or social environments. As a result, we are exposed to a wide range of political, economic, regulatory, social and tax environments. Regulatory regimes applicable to resource companies can often be subject to adverse and short-term changes.
- 6. Laws and enforcement** We are exposed to extensive laws and regulations, including those relating to bribery and corruption, sanctions, taxation, anti-trust, financial markets regulation and rules, environmental protection, use of hazardous substances, product safety and dangerous goods regulations, post-closure reclamation, employment of labour and occupational health and safety standards. In addition, there are a number of high expectations regarding the need to act ethically in our business and we are exposed to the risk that unethical business practices may, by themselves, harm our ability to engage with certain business partners, and/or give rise to questions whether we are committed to complying with applicable laws.
- 7. Cyber** The ever-increasing reliance on digital technologies has brought with it a corresponding rise in cyber-related risks, ranging from the proliferation of ransomware to nation-state activity and the monetisation of cybercrime. Our industrial production, operations, environmental management, health and safety management, communications, transaction processing, and risk management all rely on information technologies, while our long supply chains involve numerous third parties that are exposed to the same cyber risks.
- 8. Health, Safety, Environment** Industrial operations are inherently hazardous. The success of Glencore's business is dependent on a safe and healthy workforce and work environment. Our operations around the world can have direct or indirect impacts on the environment and host communities. Our ability to manage and mitigate these may impact maintenance of our operating licences as well as affect future projects, acquisitions and our reputation.

9. Community relations and human rights

We have a geographically diverse business, operating in both developed and developing countries in an array of different contexts. A perception that we are not respecting human rights or generating local sustainable benefits could have a negative impact on our ability to operate effectively, our reputation with stakeholders, our ability to secure access to new resources, our capacity to attract and retain the best talent and ultimately, our financial performance.

10. Catastrophic and natural disaster events

Catastrophic or natural disaster events at our industrial assets can have disastrous impacts on workers, communities and the environment, while also impacting production and resulting in substantial financial costs and harm to our reputation. These events may arise due to natural causes (flood, earthquake, drought) or due to infrastructure or equipment failure (tailing storage facility failure), or both. Climate change may increase physical risks to our assets and related infrastructure, largely driven from extreme weather events and water-related risks such as flooding or water scarcity.

11. Operational delivery

Our industrial activities are subject to significant risks throughout each operation's life cycle, from project planning through initiation, development, operation and/or expansion and ultimate closure.

12. Low-carbon economy transition

The global transition to a low-carbon economy may affect our business through regulations to reduce emissions, carbon pricing mechanisms, reduced access to capital, permitting risks and fluctuating energy costs, as well as changing demand for the commodities we produce and market.

GOING CONCERN

As at 30 June 2023, Glencore had available committed liquidity amounting to \$12,926 million. Based on these available liquidity resources and the Group's financial forecasts and projections, which take into account reasonably possible changes in performance and consideration of the principal risks and uncertainties noted above, the Directors believe the Group can continue as a going concern for the foreseeable future, a period not less than 12 months from the date of this report.

INVESTIGATIONS

The Investigations Committee is continuing to manage the Company's response to the government investigations (see notes 22 and 28) and the Company continues to cooperate with the relevant authorities. The timing and outcome of the outstanding investigations remain uncertain.

VALUE AT RISK

One of the tools used by Glencore to monitor and limit its primary market risk exposure, namely commodity price risk related to its physical marketing activities, is the use of a value at risk (VaR) computation. VaR is a risk measurement technique, which estimates the potential loss that could occur on risk positions as a result of movements in risk factors over a specified time horizon, given a specific level of confidence. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities, as well as risk diversification by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be measured consistently across markets and commodities and risk measures can be aggregated to derive a single risk value.

Glencore's Board, as part of its annual review process in H2 2022, approved a Group VaR limit (excluding LNG) of \$150 million, while maintaining a separate multipronged LNG risk reporting and control structure, including the calculation and highlighting of VaR outcomes including LNG.

Glencore uses a one-day VaR approach based on a Monte Carlo simulation with a weighted data history computed at a 95% confidence level. Average market risk VaR (one day 95%) during H1 2023, excluding LNG, was \$95 million, with an observable high of \$130 million and a low of \$39 million. Including LNG, average market risk VaR (one day 95%) during H1 2023 was \$115 million, while the equivalent average VaR during H1 2022 was \$138 million. The Group's market risk VaR (one day 95%), excluding LNG, as at 30 June 2023 was \$39 million (\$73 million, including LNG).

There were no limit breaches during the period.

SHAREHOLDER RETURNS

Earlier in 2023, the Directors recommended a cash distribution, in respect of the 2022 financial year, of \$0.44 per share amounting to some \$5.6 billion, accounting for own shares held as at 31 December 2022, which was approved at the Company's AGM. The first tranche of the distribution of \$0.22 per ordinary share amounting to \$2,749 million was paid on 1 June 2023. The second tranche of \$0.22 per ordinary share is due on 22 September 2023, in accordance with the Company's announcement of the 2023 Distribution timetable made on 15 February 2023.

The Directors have now declared a further cash distribution of \$0.08 per ordinary share, amounting to c.\$1 billion, to be paid concurrently with the \$0.22 per ordinary share second tranche of the previously approved distribution. The Company will also conduct a buy-back of its own shares up to the value of \$1.2 billion, with intended completion by the time of the Group's full year results announcement in February 2024.

The cash distribution is to be effected as a reduction of the capital contribution reserves of the Company. As such, this distribution would be exempt from Swiss withholding tax. As at 30 June 2023, Glencore plc had CHF11 billion of such capital contribution reserves in its statutory accounts.

The distribution is ordinarily paid in US dollars. Shareholders on the Jersey register may elect to receive the distribution in sterling, euros or Swiss francs, the exchange rates of which will be determined by reference to the rates applicable to the US dollar at the time. Shareholders on the Johannesburg register will receive their distribution in South African rand. Further details on distribution payments, together with currency election and distribution mandate forms, are available from the Group's website (www.glencore.com) or from the Company's Registrars.

BOARD CHANGES

In May 2023, Patrice Merrin retired from the Board. Following her retirement, the following changes in the composition of the Board Committees have taken place:

- ECC Committee: Cynthia Carroll has replaced Patrice Merrin as Chair of the Committee;
- Remuneration Committee: Martin Gilbert has replaced Cynthia Carroll as Chair of the Committee. Cynthia Carroll remains a member of the Committee;
- Investigations Committee: Liz Hewitt has replaced Patrice Merrin as a member of the Committee.

MARKETING ACTIVITIES

HIGHLIGHTS

Marketing Adjusted EBIT of \$1,773 million was a strong result in the context of the last 10 years, consistent with H1 2021 and some 12% lower than H1 2020. However, reflecting the presence of extreme market volatility and dislocation that prevailed for much of 2022, particularly in energy markets, Marketing Adjusted EBIT in H1 2023 was 52 % lower than in H1 2022.

2023 is characterised to date by international energy trade flows, due to various supply and demand factors, largely rebalancing and normalising, with oil and notably natural gas prices having therefore trended lower. Coal prices, including due to their high correlation with LNG, also materially reduced. While the resulting lower energy price environment offers some relief for businesses and consumers, the recent cycle of cost inflation taking hold, associated central bank interest rate rises to contain such inflation and only modest Chinese economic growth, have all collectively limited global growth. High profile banking failures in the U.S. and Europe also contributed to risk aversion, with metals prices, in addition to energy, responding accordingly. Nevertheless, there have been pockets of strong demand (EVs, aerospace, renewables, power transmission spending, etc) and relevant geographic/sector-specific metals premiums have been relatively strong.

Against the above backdrop, Adjusted EBIT from the Energy products business was \$1,009 million, a 66 % decrease from the record-setting prior period, and Adjusted EBIT from Metals and minerals was \$803 million, a decrease of 18 % compared to H1 2022.

Viterra (reported within corporate and other) contributed \$132 million on an attributable, after-tax basis, which was \$152 million (54%) lower than in H1 2022. In June 2023, Glencore agreed to dispose of its interest in Viterra in a cash-and-shares transaction with Bunge (see note 16).

US\$ million	Metals and minerals	Energy products	Corporate and other ¹	H1 2023	Metals and minerals	Energy products	Corporate and other ¹	H1 2022
Revenue ^o	34,952	56,479	–	91,431	43,013	71,298	–	114,311
Adjusted EBITDA ^o	833	1,193	(39)	1,987	1,013	3,177	(303)	3,887
Adjusted EBIT ^o	803	1,009	(39)	1,773	985	2,986	(303)	3,668
Adjusted EBITDA margin ^o	2.4%	2.1%	n.m.	2.2%	2.4%	4.5%	n.m.	3.4%

¹ Corporate and other Marketing activities includes \$132 million pre-significant items (H1 2022: \$284 million) of Glencore's equity accounted share of Viterra.

Selected marketing volumes sold

	Units	H1 2023	H1 2022	Change %
Copper metal and concentrates ¹	mt	1.7	1.7	–
Zinc metal and concentrates ¹	mt	1.2	1.3	(8)
Lead metal and concentrates ¹	mt	0.4	0.4	–
Gold	toz	992	979	1
Silver	toz	26,177	35,657	(27)
Nickel	kt	174	186	(6)
Ferroalloys ²	mt	4.6	4.6	–
Alumina/aluminium	mt	4.8	5.2	(8)
Iron ore	mt	41.1	30.7	34
Thermal coal ²	mt	36	35	3
Metallurgical coal ²	mt	1.2	1.7	(29)
Crude oil	mdbl	307	302	2
Oil products	mdbl	272	279	(3)

¹ Estimated metal unit contained.

² Includes agency volumes.

COPPER

Having started the year at \$8,365/t, the improving demand outlook from China, following relaxation of Covid-19 restrictions in late 2022, and weak mine supply growth, supported prices moving rapidly to the \$9,300/t level in early H1 2023. Demand sentiment in North America and Europe has since weakened and the outlook for China remains uncertain, such that speculative positioning moved net-short during the latter part of H1 2023, with prices progressively declining, ending H1 2023 effectively unchanged over the period, supported by a tightly balanced market and low visible inventories.

North American and European cathode markets remained relatively stable during H1 2023, with generally good order books and consumption. In China, solid refined copper demand was supported by strong energy transition demand. Spot smelter treatment and refining charges moved higher during H1 2023, after logistics disruptions to flows of copper concentrate earlier in the year and Chinese smelters undertaking seasonal maintenance. The expectation of a progressive increase in concentrate mine supply during 2023 continued to drive treatment and refining charges higher, with China's CSPT setting its Q3 2023 import buying guidance at \$95/9.5c, the highest level in 5 years. However, given scheduled expansions in smelting capacity over the next few years, there is likely to be increased competition for concentrates from late 2024.

Looking forward, we continue to expect mine supply growth to be constrained by aging assets, a diminished project pipeline and geopolitical conditions, with new projects likely to experience delays. In the near term, global demand sentiment is dependent on

MARKETING ACTIVITIES

continued

the outlook for and implications of fiscal policies, and stimulus measures taken by China to support its economic growth. In the longer term, demand will be driven by population growth and rising living standards in emerging economies, supported by climate change policies and decarbonisation measures, expected to result in increased copper usage, given its crucial role in accelerating the clean energy transition, from renewable power generation and distribution, to energy storage and electric vehicles (EVs).

COBALT

Cobalt metal prices averaged \$15.21/lb in H1 2023, 59% lower than H1 2022. Pricing commenced the year at \$18.75/lb amid a downward trend, reaching \$15/lb in late February.

Consumer goods demand, post the negative demand shock in 2022, showed sequential improvement each month through H1 2023, albeit off a low base. By late Q2, demand had progressed to the extent that hydroxide availability in China was tightening. Elsewhere, demand in key metal segments, such as aerospace, continued to post double digit demand growth, helping to lift metal pricing to \$14.25/lb as at end of June 2023, bouncing off the lows of around \$12.90/lb in early June, with alloy grade premiums in excess of \$2/lb.

Cobalt hydroxide payabilities commenced the year at 58-61%, reflecting the large hydroxide stock overhang, basis the 2022 consumer goods demand shock and large supply chain destocking. By May, the payable range reached historical lows of 51-53%, with subsequent market tightening factors then inducing a rally to 63-66% by the end of H1.

For much of the first half, the cobalt market was heavily influenced by negative factors, both on the demand and supply side, which resulted in continued inventory build. However, consumer goods demand, which still rivals EVs among the largest demand segments, continues to show sequential recovery. EV supply chain demand has underwhelmed somewhat YTD, despite healthy sales. We believe that the structural cobalt demand fundamentals remain intact, as we move closer to a step-up in cobalt-intensive Western EV build-out. Excess hydroxide stocks should erode as demand sectors synchronise growth, accelerated by strategic and proactive stockpiling of critical minerals. We note that since the reporting period closed, China has embarked on its latest, and most significant, round of strategic stockpiling.

ZINC

Zinc demand growth slightly recovered in China versus 2022, albeit from a low base, yet it remains sluggish in the rest of the world (RoW). China imported metal towards the end of Q2 for the first time in 18 months, with net imports being 50kt YTD May 2023, compared to a net export position in 2022, with imports expected to continue in H2 2023.

The combination of additional zinc smelting capacity, and fragility of demand in some sectors, particularly construction, saw average zinc prices decline by 26% from \$3,819/t in H1 2022 to \$2,839/t in H1 2023. Despite China's capacity expansions, visible metal inventories continue to be at historically low levels of around 5 days of global consumption, which, combined with pockets of stronger demand recovery in the US and Europe, sustained ex-China metal premiums at elevated levels.

In the concentrates market, 2023 annual benchmark smelting terms were agreed at \$274/dmt (up \$44/dmt from 2022) with price participation, supported mainly by the surplus of concentrates accumulated in 2022, amid a large proportion of European zinc smelter capacity being offline. Ex-China mine supply faced various operational disruptions in 2023, as well as mines going onto price-driven care and maintenance, leading spot TCs lower from highs of >\$270/dmt early in the year to \$160-190/dmt by June 2023.

In the lead market, average LME prices declined to \$2,127/mt in H1 2023 (-6% vs H1 2022), with exchange stocks nearing historical lows in both SHFE and LME. Annual 2023 benchmark terms for concentrates were agreed at \$111/dmt (-15% year-over-year (YoY)), the low spot TCs and elevated lead metal premiums in the RoW indicating continued tight market conditions.

NICKEL

Amid mounting macro headwinds and subdued manufacturing activity, global stainless steel production, which makes up over 60% of primary nickel demand, was down year-on-year, as growth in China (+4.5%) was insufficient to offset the drop in RoW (-10%). In contrast, nickel consumption from batteries continues to increase, supported by the sharp rise of EV demand in the US and Europe, while nickel consumption growth in China is being held back by the high penetration of nickel-free LFP batteries. At the same time, nickel demand from the alloy and special steel segments remains robust, buoyed by strong end-use demand from key sectors such as oil & gas, aerospace and defence.

The low-grade (or Class II) nickel market remains in surplus, due to the ongoing expansion of nickel pig iron (NPI) production in Indonesia. Furthermore, intermediates production (mixed hydroxide precipitate and nickel matte) continued to ramp up in Indonesia, which is being used as feed in support of new nickel cathode production in China, resulting in the high-grade (or Class I) market shifting into a modest surplus.

The LME nickel price has been trending lower since the beginning of the year. Visible inventories appear to have bottomed in Q2 2023, with stock levels remaining at multiyear lows.

FERROALLOYS

Global demand for ferrochrome remained flat in H1 2023 compared to the previous year, primarily due to strong consumption in China being offset by weak demand from RoW. More seaborne ferrochrome units were directed to China, with imports up 69% YoY. Chrome ore prices were up 20% YoY, due to limited supply growth and ongoing logistics constraints out of South Africa.

Ferrovandium prices decreased by 13% during H1 2023, due to weak demand from the steel sector and a 15% YoY increase in Chinese production. Vanadium consumption in the aerospace sector remains robust having recovered to pre-pandemic levels.

MARKETING ACTIVITIES

continued

IRON ORE

Global pig iron production recovered around 1% YoY in H1 2023, mostly from China (+3%) and India (+5%), offsetting losses elsewhere. However, the landscape in China has shifted, whereby lower consumer confidence has impacted real estate, but manufacturing and infrastructure spending beat market expectations. Iron ore seaborne supply remained strong in H1 2023 (+4% YoY), largely due to minimal weather disruption. Owing to Chinese steel-mill profitability remaining relatively low, mills have generally maintained low inventories and interest in lower-value feedstock. China has also indicated that it might curb steel output during H2, which would clearly be relevant to iron ore markets.

ALUMINIUM

Compared to the highly volatile 2022, the aluminium price environment in H1 2023 was significantly more stable. In January, the 3m price reached a high of \$2,680/t, reflecting a stronger macroeconomic outlook in China and RoW. However, disappointing economic data from China and rising interest rates thereafter, resulted in price declines to between \$2,150/t and \$2,500/t, with the half-year period ending around the lower end at \$2,152/t.

After a steep decline in H2 2022, premiums in Europe and the US retraced somewhat during the period. The Midwest premium closed the period at 23c/lb, with the CIF Main Japanese Port Premium increasing from \$75/t to \$115/t, supported by robust demand in adjacent Asian markets.

Alumina prices started and finished the period around \$330/t, although they temporarily increased earlier in the year to around \$370/t.

On 19 June 2023, the SHFE became the first futures exchange to launch a physical deliverable alumina contract, with Glencore being the buyer of the first transaction on the exchange.

Bauxite prices remained rangebound, albeit at historically elevated levels, during H1 2023. An Indonesian export ban came into effect on 11 June 2023, with Guinea having progressively increased its output to make up for the supply shortfall.

COAL

Global seaborne thermal coal demand grew 10% YoY during H1 2023. Chinese imported coal demand was a significant growth driver, more than offsetting declines in demand from Europe, Japan, Korea and Taiwan.

In terms of supply, Indonesian coal production and exports grew significantly during H1 2023, with exports rising 20% YoY, while weather and other operational disruptions were less severe in H1 2023, compared to H1 2022.

Average index prices for the period were: GCNewc (\$204/t), API4 (\$129/t) and API2 (\$136/t), down 43%, 52% and 53% respectively from their 2022 averages.

Global production of blast furnace pig iron, the main driver of coking coal demand increased by c.1% YoY with growth in China and India offsetting weakness elsewhere. Premium HCC prices averaged \$294/t YTD 2023, 19% below the \$364/t average in 2022.

OIL

Crude oil prices in H1 2023 traded in a much narrower range compared to 2022.

The initial rally in January, driven by optimism around a China post-Covid recovery and expected supply disruptions from Russia, saw prices reach \$90/bbl. Concerns around China's economic recovery, global monetary tightening, dollar strength and growing recessionary fears then hurt the near-term outlook for oil, exacerbated by turmoil in the US and European banking sector, pushing oil prices, in March, down to a 15-month low of \$73/bbl. For the remainder of H1, uncertainty, regarding the strength of China's demand recovery, and consensus on potential Opec+ cuts, trapped the market in a narrow trading range of \$70-\$80/bbl.

Gas prices declined sharply over the course of H1 to close at \$12/mmbtu (\$23/mmbtu: 31 December 2022), a continuation of the trend towards the end of 2022. Unseasonably mild weather in the northern hemisphere, lower gas demand and improving supply fundamentals weighed on spot gas prices across all key markets.

Oil refining margins remained elevated versus historical averages. In shipping, overall tanker freight markets weakened in H1 2023 from 2022 highs, but earnings in all tanker sectors remained strong on a multi-year cycle.

INDUSTRIAL ACTIVITIES

HIGHLIGHTS

Industrial Adjusted EBITDA declined by 51% to \$7,410 million compared to \$15,031 million in H1 2022. This decrease substantially relates to lower coal Adjusted EBITDA, reflecting the progressive significant reductions in energy prices, including coal, from the heavily disrupted market dislocation levels seen in H1 2022.

Adjusted EBITDA from Metals and minerals assets of \$3,056 million decreased by 48% compared to the prior period. In particular, lower cobalt pricing weighed heavily on African Copper earnings, with period-over-period cobalt hydroxide realisations (via lower payabilities) underperforming the already sharp nearly 60% fall in average metal prices, as discussed above in the Marketing section. Lower own source production from INO (nickel) and Collahuasi (copper), due to a lengthy prior year strike and mine phasing, respectively, had a sizeable negative period-over-period earnings impact, with both operations expected to strongly increase production levels in H2 2023. Furthermore, cost inflation, across a broad range of categories, increased our overall period-over-period unit cost positions, as the lag effect of 2022's accelerating inflation readings took hold in our businesses, although we are seeing these pressures now moderating.

Adjusted EBITDA from Energy products assets was \$4,658 million compared to \$9,465 million in the comparable period, due to the significantly lower coal prices, and to a lesser extent oil and gas, as noted above.

As a result, Adjusted EBITDA mining margins were 25% (43% in H1 2022) in our metals operations and 50% (H1 2022: 66%) in our energy operations.

Industrial capex at \$2,469 million was 26% higher than the comparable period.

US\$ million	Metals and minerals	Energy products	Corporate and other	H1 2023	Metals and minerals	Energy products	Corporate and other	H1 2022
Revenue ^o	17,423	13,137	4	30,564	21,206	19,574	3	40,783
Adjusted EBITDA ^o	3,056	4,658	(304)	7,410	5,877	9,465	(311)	15,031
Adjusted EBIT ^o	1,301	3,557	(326)	4,532	3,969	8,124	(346)	11,747
Adjusted EBITDA mining margin ^o	25%	50%		35%	43%	66%		54%

Production from own sources – Total¹

		H1 2023	H1 2022	Change %
Copper	kt	488.0	510.2	(4)
Cobalt	kt	21.7	20.7	5
Zinc	kt	434.7	480.7	(10)
Lead	kt	87.4	95.1	(8)
Nickel	kt	46.4	57.8	(20)
Gold	koz	369	334	10
Silver	koz	9,446	12,579	(25)
Ferrochrome	kt	717	786	(9)
Coal	mt	54.2	55.4	(2)

¹ Controlled industrial assets and joint ventures only. Production is on a 100% basis, except for joint ventures, where the Group's attributable share of production is included.

INDUSTRIAL ACTIVITIES

continued

FINANCIAL INFORMATION H1 2023

US\$ million	Revenue [◊]	Adjusted EBITDA [◊]	Adjusted EBITDA mining margin ^{2,3◊}	Depreciation and amortisation	Adjusted EBIT [◊]	Capital expenditure		Total
						Sustaining	Expansionary	
Copper assets								
Africa	1,173	172	15%	(297)	(125)	212	37	249
Collahuasi ¹	978	610	62%	(139)	471	116	262	378
Antamina ¹	709	519	73%	(180)	339	165	5	170
Other South America	1,101	529	48%	(317)	212	235	31	266
Australia	164	24	15%	(5)	19	–	–	–
Polymet	–	(17)	–	–	(17)	1	1	2
Custom metallurgical	5,029	287	–	(85)	202	102	11	113
Intergroup revenue elimination	(101)	–	–	–	–	–	–	–
Copper	9,053	2,124	45%	(1,023)	1,101	831	347	1,178
Zinc assets								
Kazzinc	1,801	337	19%	(293)	44	134	21	155
Australia	1,604	(16)	(1%)	(125)	(141)	111	8	119
European custom metallurgical	1,796	153	–	(51)	102	30	6	36
North America	575	83	–	(24)	59	27	–	27
Volcan	–	27	–	–	27	–	–	–
Other Zinc	8	1	13%	–	1	–	–	–
Zinc	5,784	585	9%	(493)	92	302	35	337
Nickel assets								
Integrated Nickel Operations	688	88	13%	(158)	(70)	91	137	228
Australia	463	144	31%	(14)	130	7	–	7
Koniambo	180	(252)	(140%)	(14)	(266)	–	–	–
Nickel	1,331	(20)	(2%)	(186)	(206)	98	137	235
Ferroalloys	1,255	398	32%	(53)	345	49	7	56
Aluminium/Alumina	–	(31)	–	–	(31)	2	–	2
Metals and minerals	17,423	3,056	25%	(1,755)	1,301	1,282	526	1,808
Coking Australia	1,070	542	51%	(127)	415	65	–	65
Thermal Australia	5,888	3,434	58%	(610)	2,824	321	–	321
Thermal South Africa	784	191	24%	(146)	45	87	–	87
Cerrejón	1,242	390	31%	(124)	266	118	–	118
Prodeco	–	(30)	–	(1)	(31)	1	–	1
Coal (own production)	8,984	4,527	50%	(1,008)	3,519	592	–	592
Coal other revenue (buy-in coal)	670	–	–	–	–	–	–	–
Oil E&P assets	209	94	45%	(55)	39	3	–	3
Oil refining assets	3,274	37	–	(38)	(1)	35	1	36
Energy products	13,137	4,658	50%	(1,101)	3,557	630	1	631
Corporate and other	4	(304)	–	(22)	(326)	–	30	30
Total Industrial activities[◊]	30,564	7,410	35%	(2,878)	4,532	1,912	557	2,469

1 Represents the Group's share of these JVs.

2 Adjusted EBITDA mining margin for Metals and Minerals is Adjusted EBITDA excluding non-mining assets as described below (\$2,537 million (H1 2022: \$5,387 million)) divided by Revenue excluding non-mining assets and intergroup revenue elimination (\$10,124 million (H1 2022: \$12,611 million)) i.e. the weighted average EBITDA margin of the mining assets. Non-mining assets are the Copper custom metallurgical assets, Zinc custom metallurgical assets, Zinc North America (principally smelting/ processing), the Aluminium/Alumina group and Volcan (equity accounted with no relevant revenue) as noted in the table above.

FINANCIAL INFORMATION H1 2022

US\$ million	Revenue [◇]	Adjusted EBITDA [◇]	Adjusted EBITDA mining margin ^{2,3◇}	Depreciation and amortisation	Adjusted EBIT [◇]	Capital expenditure		Total
						Sustaining	Expansionary	
Copper assets								
Africa	1,834	987	54%	(240)	747	170	20	190
Collahuasi ¹	1,097	799	73%	(143)	656	78	43	121
Antamina ¹	833	626	75%	(166)	460	149	2	151
Other South America	1,119	567	51%	(255)	312	245	–	245
Australia	198	54	27%	(31)	23	44	–	44
Polymet	–	(7)		–	(7)	4	–	4
Custom metallurgical	5,362	265		(85)	180	79	–	79
Intergroup revenue elimination	(200)	–		–	–	–	–	–
Copper	10,243	3,291	60%	(920)	2,371	769	65	834
Zinc assets								
Kazzinc	1,893	547	29%	(281)	266	111	29	140
Australia	1,869	450	24%	(320)	130	179	11	190
European custom metallurgical	2,366	78		(59)	19	34	25	59
North America	1,067	113		(57)	56	12	–	12
Volcan	–	6		–	6	–	–	–
Other Zinc	141	29	21%	(12)	17	8	–	8
Zinc	7,336	1,223	26%	(729)	494	344	65	409
Nickel assets								
Integrated Nickel Operations	1,201	596	50%	(165)	431	69	137	206
Australia	634	284	45%	(13)	271	12	–	12
Koniambo	440	(14)	(3%)	(19)	(33)	5	–	5
Nickel	2,275	866	38%	(197)	669	86	137	223
Ferroalloys	1,352	470	35%	(62)	408	48	4	52
Aluminium/Alumina	–	28		–	28	2	–	2
Iron ore	–	(1)		–	(1)	–	–	–
Metals and minerals	21,206	5,877	43%	(1,908)	3,969	1,249	271	1,520
Coking Australia	1,440	923	64%	(103)	820	55	–	55
Thermal Australia	7,635	5,031	66%	(718)	4,313	174	–	174
Thermal South Africa	1,587	993	63%	(209)	784	54	–	54
Cerrejón	2,936	2,037	69%	(219)	1,818	92	–	92
Prodeco	–	(77)		–	(77)	–	–	–
Coal (own production)	13,598	8,907	66%	(1,249)	7,658	375	–	375
Coal other revenue (buy-in coal)	888	–		–	–	–	–	–
Oil E&P assets	498	443	89%	(55)	388	10	–	10
Oil refining assets	4,590	115		(37)	78	51	–	51
Energy products	19,574	9,465	66%	(1,341)	8,124	436	–	436
Corporate and other	3	(31)		(35)	(346)	–	11	11
Total Industrial activities[◇]	40,783	15,031	54%	(3,284)	11,747	1,685	282	1,967

³ Energy products EBITDA margin is Adjusted EBITDA for coal and Oil E&P (but excluding Oil refining) (\$4,621 million (H1 2022: \$9,350 million)), divided by the sum of coal revenue from own production and Oil E&P revenue (\$9,193 million (H1 2022: \$14,096 million)).

INDUSTRIAL ACTIVITIES

continued

PRODUCTION DATA

Production from own sources – Copper assets¹

		HI 2023	HI 2022	Change %
African Copper (Katanga, Mutanda)				
Copper metal	kt	120.2	110.0	9
Cobalt ²	kt	20.4	19.0	7
Collahuasi³				
Copper in concentrates	kt	114.4	127.8	(10)
Silver in concentrates	koz	1,612	1,803	(11)
Gold in concentrates	koz	20	19	5
Antamina⁴				
Copper in concentrates	kt	68.3	77.2	(12)
Zinc in concentrates	kt	77.1	72.2	7
Silver in concentrates	koz	1,950	2,606	(25)
Other South America (Antapaccay, Lomas Bayas)				
Copper metal	kt	29.8	35.0	(15)
Copper in concentrates	kt	82.7	73.7	12
Gold in concentrates and in doré	koz	56	29	93
Silver in concentrates and in doré	koz	609	643	(5)
Cobar				
Copper in concentrates	kt	15.0	18.8	(20)
Silver in concentrates	koz	180	212	(15)
Total Copper department				
Copper	kt	430.4	442.5	(3)
Cobalt	kt	20.4	19.0	7
Zinc	kt	77.1	72.2	7
Gold	koz	76	48	58
Silver	koz	4,351	5,264	(17)

Production from own sources – Zinc assets¹

		HI 2023	HI 2022	Change %
Kazzinc				
Zinc metal	kt	49.5	67.5	(27)
Zinc in concentrates	kt	22.5	6.4	252
Lead metal	kt	8.8	9.8	(10)
Lead in concentrates	kt	7.5	–	n.m.
Copper metal ⁵	kt	5.0	10.3	(51)
Gold	koz	288	277	4
Silver	koz	1,107	1,440	(23)
Silver in concentrates	koz	263	–	n.m.
Australia (Mount Isa, Townsville, McArthur River)				
Zinc in concentrates	kt	263.4	276.0	(5)
Copper metal	kt	35.1	29.0	21
Lead in concentrates	kt	71.1	79.9	(11)
Silver	koz	338	238	42
Silver in concentrates	koz	2,421	2,690	(10)
North America (Matagami, Kidd)⁶				
Zinc in concentrates	kt	22.2	39.9	(44)
Copper in concentrates	kt	11.4	16.3	(30)
Silver in concentrates	koz	869	749	16
Other Zinc: South America (Bolivia, Peru)⁶				
Zinc in concentrates	kt	–	18.7	(100)
Lead in concentrates	kt	–	5.4	(100)
Copper in concentrates	kt	–	0.7	(100)
Silver in concentrates	koz	–	2,108	(100)
Total Zinc department				
Zinc	kt	357.6	408.5	(12)
Lead	kt	87.4	95.1	(8)
Copper	kt	51.5	56.3	(9)
Gold	koz	288	277	4
Silver	koz	4,998	7,225	(31)

INDUSTRIAL ACTIVITIES

continued

Production from own sources – Nickel assets¹

		HI 2023	HI 2022	Change %
Integrated Nickel Operations (INO) (Sudbury, Raglan, Nikkelverk)				
Nickel metal	kt	18.1	27.7	(35)
Nickel in concentrates	kt	–	0.1	(100)
Copper metal	kt	3.9	7.2	(46)
Copper in concentrates	kt	2.2	4.2	(48)
Cobalt metal	kt	0.2	0.3	(33)
Gold	koz	5	9	(44)
Silver	koz	97	90	8
Platinum	koz	12	17	(29)
Palladium	koz	33	50	(34)
Rhodium	koz	1	2	(50)
Murrin Murrin				
Nickel metal	kt	15.6	17.1	(9)
Cobalt metal	kt	1.1	1.4	(21)
Koniambo				
Nickel in ferronickel	kt	12.7	12.9	(2)
Total Nickel department				
Nickel	kt	46.4	57.8	(20)
Copper	kt	6.1	11.4	(46)
Cobalt	kt	1.3	1.7	(24)
Gold	koz	5	9	(44)
Silver	koz	97	90	8
Platinum	koz	12	17	(29)
Palladium	koz	33	50	(34)
Rhodium	koz	1	2	(50)

Production from own sources – Ferroalloys assets¹

		HI 2023	HI 2022	Change %
Ferrochrome ⁷	kt	717	786	(9)
Vanadium Pentoxide	mlb	9.3	9.9	(6)

Total production – Custom metallurgical assets¹

		HI 2023	HI 2022	Change %
Copper (Altonorte, Pasar, Horne, CCR)				
Copper metal	kt	251.4	232.0	8
Copper anode	kt	225.3	238.2	(5)
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet, CEZ Refinery)				
Zinc metal	kt	345.3	350.9	(2)
Lead metal	kt	123.7	159.0	(22)

Coal assets¹

		HI 2023	HI 2022	Change %
Australian coking coal	mt	3.7	3.9	(5)
Australian semi-soft coal	mt	1.9	1.8	6
Australian thermal coal (export)	mt	26.7	27.6	(3)
Australian thermal coal (domestic)	mt	3.2	3.0	7
South African thermal coal (export)	mt	6.6	6.3	5
South African thermal coal (domestic)	mt	1.9	2.0	(5)
Cerrejón	mt	10.2	10.8	(6)
Total Coal department	mt	54.2	55.4	(2)

Oil assets

		HI 2023	HI 2022	Change %
Glencore entitlement interest basis				
Equatorial Guinea	kboe	1,996	2,545	(22)
Cameroon	kbbbl	354	587	(40)
Total Oil department	kboe	2,350	3,132	(25)

¹ Controlled industrial assets and joint ventures only. Production is on a 100% basis, except for joint ventures, where the Group's attributable share of production is included.

² Cobalt contained in concentrates and hydroxides.

³ The Group's pro-rata share of Collahuasi production (44%).

⁴ The Group's pro-rata share of Antamina production (33.75%).

⁵ Copper metal includes copper contained in copper concentrates and blister.

⁶ North and South American assets sold or closed since the beginning of 2022: Matagami (Canada) completed mining in June 2022, Bolivian Zinc sold in March 2022, Peruvian Zinc sold in December 2022.

⁷ The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture

INDUSTRIAL ACTIVITIES

continued

OPERATING HIGHLIGHTS

Copper assets

Own sourced copper production of 488,000 tonnes was 22,200 tonnes (4%) lower than H1 2022, consistent with our expectations around mining sequences at Collahuasi and Antamina, and lower copper by-products outside the Copper department.

African Copper

Own sourced copper production of 120,200 tonnes was 10,200 tonnes (9%) higher than H1 2022, mainly reflecting higher milling throughput at Mutanda and the ongoing management of geotechnical constraints at Katanga.

Own sourced cobalt production of 20,400 tonnes was 1,400 tonnes (7%) higher than H1 2022, reflecting improved cobalt recoveries at Katanga.

Collahuasi

Attributable copper production of 114,400 tonnes was 13,400 tonnes (10%) lower than H1 2022, which is aligned with planned lower grades as the next phase of the mine plan is developed. Higher grades and throughput are expected in H2 2023.

Antamina

Aligned with planned mining sequencing, attributable copper production of 68,300 tonnes was 8,900 tonnes (12%) lower than H1 2022, while zinc production of 77,100 tonnes was 4,900 tonnes (7%) higher. The impact of heavy rains in March, which temporarily disrupted the pipeline from mine to port, has been resolved.

Other South America

Copper production of 112,500 tonnes was 3,800 tonnes (3%) higher than H1 2022, reflecting higher copper grades and recoveries at Antapaccay (9,000 tonnes), partially offset by anticipated lower grades (5,200 tonnes) at Lomas Bayas.

Cobar

Cobar (Australian copper) mine was sold on 16 June 2023.

Copper custom metallurgical assets

Copper anode production of 225,300 tonnes was 12,900 tonnes (5%) lower than H1 2022, reflecting maintenance at Altonorte and a scheduled 17-day maintenance shutdown at Horne.

Copper cathode production of 251,400 tonnes was 19,400 tonnes (8%) higher than H1 2022, reflecting increased contributions from CCR and Pasar.

Zinc assets

Own sourced zinc production of 434,700 tonnes was 46,000 tonnes (10%) lower than H1 2022, mainly reflecting the 2022 disposals of South American zinc operations (18,700 tonnes) and the closure of Matagami (17,300 tonnes).

Kazzinc

Own sourced zinc production of 72,000 tonnes was in line with H1 2022, reflecting Zhairem's ramp-up offset by delayed processing of own-sourced material at Kazzinc's smelters, in favour of third-party material.

Own sourced lead production of 16,300 tonnes was 6,500 tonnes (66%) higher than H1 2022, due to Zhairem's ramp up.

Own sourced copper production of 5,000 tonnes was 5,300 (51%) lower than H1 2022, due to lower copper grades at the Maleevsky mine, together with furnace downtime at the copper smelter.

Own sourced gold production of 288,000 ounces was 4% higher than H1 2022.

Australia

Zinc production of 263,400 tonnes was 12,600 tonnes (5%) lower than H1 2022, as heavy rains impacted Mount Isa production in Q1 2023 and McArthur River processed lower-grade feedstocks in accordance with its mine plan.

Lead production of 71,100 tonnes was 8,800 tonnes (11%) lower than H1 2022 for the same reasons.

Copper production of 35,100 tonnes was 6,100 tonnes (21%) higher than H1 2022, reflecting partial recovery from Covid-related absenteeism and other issues in the base period.

North America

Zinc production of 22,200 tonnes was 17,700 tonnes (44%) lower than H1 2022, mainly reflecting the closure of Matagami mine in mid-2022. Kidd production was broadly in line with H1 2022.

South America

Following disposal of the Bolivian mines at the end of H1 2022 and Los Quenuales in December 2022, no operating assets remain in this grouping.

Zinc custom metallurgical assets

Zinc metal production of 345,300 tonnes was broadly in line with H1 2022, reflecting the suspension of Nordenham in H2 2022, given recent periods of high European power prices, largely offset by production from CEZ, consolidated from April 2023, following Glencore's increased ownership from 25% to 100%.

Lead metal production of 123,700 tonnes was 35,300 tonnes (22%) lower than H1 2022, reflecting lower bullion received at Northfleet from Mount Isa, Portovesme's partial care and maintenance, and planned lower production from the active Nordenham lead line.

INDUSTRIAL ACTIVITIES

continued

Nickel assets

Own sourced nickel production of 46,400 tonnes was 11,400 tonnes (20%) lower than H1 2022, primarily reflecting higher INO third party production (versus own sourced), in large part necessitated by the strike at Raglan mine in 2022.

Integrated Nickel Operations (INO)

Own sourced nickel production of 18,100 tonnes was 9,700 tonnes (35%) lower than H1 2022, due to the strike at Raglan in 2022, which impacted H1 2023 nickel production, given the long lead time from ore mining in Northern Quebec to finished nickel production in Norway. Total refinery production of 47,100 tonnes was 4,700 tonnes (11%) higher than H1 2022.

Murrin Murrin

Own sourced nickel production of 15,600 tonnes was 1,500 tonnes (9%) lower than H1 2022 due to longer than planned maintenance.

Koniambo

Nickel production of 12,700 tonnes was broadly in line with H1 2022. The sequential improvement over Q1 2023 (2,700 tonnes or 54%) reflected furnace modifications made during Q1's planned maintenance.

Ferroalloys assets

Attributable ferrochrome production of 717,000 tonnes was 69,000 tonnes (9%) below H1 2022 due to planned additional smelter offline days.

Coal assets

Coal production of 54.2 million tonnes was broadly in line with H1 2022.

Australian coking

Production of 3.7 million tonnes was 0.2 million tonnes (5%) lower than H1 2022, with the Newlands mine ceasing production in February 2023.

Australian thermal and semi-soft

Production of 31.8 million tonnes was 0.6 million tonnes (2%) lower than H1 2022, mainly reflecting the Newlands closure, partially offset by increased production from Mangoola and Ulan, both operationally constrained during the base period.

South African thermal

Production of 8.5 million tonnes was modestly (2%) higher than H1 2022.

Cerrejón

Production of 10.2 million tonnes was 0.6 million tonnes (6%) lower than H1 2022, reflecting community blockades and weather impacts.

Oil assets (non-operated)

Exploration and production

Entitlement interest oil and gas production of 2.4 million barrels of oil equivalent was 0.8 million barrels (25%) lower than H1 2022, due to natural field decline at Bolongo in Cameroon and the reduction of Glencore's entitlement percentage interest in an Equatorial Guinea block, following the recovery of historical costs under a production sharing contract.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed and adopted by the United Kingdom;
- the interim report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the interim report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the interim report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board,



Gary Nagle

Chief Executive Officer

7 August 2023

INDEPENDENT REVIEW REPORT TO GLENCORE PLC

CONCLUSION

We have been engaged by Glencore plc (“the Company”) to review the condensed consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2023 (the “2023 Half-Year Report”) which comprises the condensed consolidated statement of income, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related notes 1 to 30.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the 2023 Half-Year Report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The annual financial statements of the Company are prepared in accordance with United Kingdom adopted international accounting standards. The condensed consolidated interim financial statements included in this 2023 Half-Year Report have been prepared in accordance with United Kingdom adopted International Accounting Standard 34, “Interim Financial Reporting”.

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the 2023 Half-Year Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

In preparing the 2023 Half-Year Report, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the 2023 Half-Year Report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the 2023 Half-Year Report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.



Deloitte LLP

Recognised Auditor

London, United Kingdom

7 August 2023

CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US\$ million	Notes	2023	2022
Revenue	4	107,415	134,435
Cost of goods sold ¹		(100,906)	(118,712)
Net expected credit losses ¹	13/15	(12)	(53)
Selling and administrative expenses		(1,030)	(1,360)
Share of income from associates and joint ventures	12	755	1,254
Gain on acquisitions and disposals of non-current assets	5	679	1,463
Other income	6	256	71
Other expense	6	(274)	(573)
(Impairments)/reversal of impairments of non-current assets	8	(56)	37
Reversal of impairments of financial assets	8	9	3
Dividend income	12	2	43
Interest income	7	321	140
Interest expense	7	(1,160)	(736)
Income before income taxes		5,999	16,012
Income tax expense	9	(1,731)	(3,917)
Income for the period		4,268	12,095
Attributable to:			
Non-controlling interests		(300)	10
Equity holders of the Parent		4,568	12,085
Earnings per share:			
Basic (US\$)	18	0.36	0.92
Diluted (US\$)	18	0.36	0.92

¹ In the current period, net expected credit losses on financial assets at amortised cost have been disaggregated from cost of goods sold. The prior period balances have been restated to conform with current period presentation. The full year 2022 disaggregation amounted to \$256 million.

All amounts presented are derived from continuing operations. The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US\$ million	Notes	2023	2022
Income for the period		4,268	12,095
Other comprehensive income/(loss)			
Items not to be reclassified to the statement of income in subsequent periods:			
Defined benefit plan remeasurements		54	166
Tax charge on defined benefit plan remeasurements		(23)	(51)
Loss on equity investments accounted for at fair value through other comprehensive income	12	(13)	(1,139)
Tax (charge)/credit on equity investments accounted for at fair value through other comprehensive income		(1)	3
Loss due to changes in credit risk on financial liabilities accounted for at fair value through profit and loss		(14)	(14)
Net items not to be reclassified to the statement of income in subsequent periods		3	(1,035)
Items that have been or may be reclassified to the statement of income in subsequent periods:			
Exchange loss on translation of foreign operations		(315)	(188)
Items recycled to the statement of income ¹	6/24	–	509
Gain/(loss) on cash flow hedges		65	(89)
Tax credit on loss on cash flow hedges		4	2
Cash flow hedges reclassified to the statement of income		(63)	138
Tax charge on cash flow hedges reclassified to the statement of income		(2)	(2)
Share of other comprehensive income from associates and joint ventures	12	23	24
Net items that have been or may be reclassified to the statement of income in subsequent periods		(288)	394
Other comprehensive loss		(285)	(641)
Total comprehensive income		3,983	11,454
Attributable to:			
Non-controlling interests		(328)	–
Equity holders of the Parent		4,311	11,454

1 2022 comprised foreign exchange translation losses recycled upon disposal of subsidiaries of \$78 million (see note 24) and restructuring of intragroup debt of \$431 million (see note 6).

All amounts presented are derived from continuing operations. The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

US\$ million	Notes	2023 (unaudited)	2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment	10	38,905	39,564
Intangible assets	11	6,043	6,160
Investments in associates and joint ventures	12	8,105	11,878
Other investments	12	471	456
Advances and loans	13	2,888	2,654
Other financial assets	25	146	206
Inventories	14	589	605
Deferred tax assets		1,774	1,837
		58,921	63,360
Current assets			
Inventories	14	31,806	33,460
Accounts receivable	15	17,308	24,565
Other financial assets	25	4,783	6,109
Income tax receivable	9	908	401
Prepaid expenses		402	325
Cash and cash equivalents		1,863	1,923
		57,070	66,783
Assets held for sale	16	5,763	2,440
		62,833	69,223
Total assets		121,754	132,583
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	17	137	141
Reserves and retained earnings		45,517	49,269
		45,654	49,410
Non-controlling interests		(4,481)	(4,191)
Total equity		41,173	45,219
Non-current liabilities			
Borrowings	20	19,481	18,851
Deferred income	21	1,440	1,547
Deferred tax liabilities		3,275	3,651
Other financial liabilities	25	1,878	2,055
Provisions	22	7,174	7,163
Post-retirement and other employee benefits		690	677
		33,938	33,944
Current liabilities			
Borrowings	20	9,181	9,926
Accounts payable	23	29,941	29,726
Deferred income	21	622	1,060
Provisions	22	905	1,425
Other financial liabilities	25	2,447	4,882
Income tax payable	9	1,980	4,660
		45,076	51,679
Liabilities held for sale	16	1,567	1,741
		46,643	53,420
Total equity and liabilities		121,754	132,583

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US\$ million	Notes	2023	2022
Operating activities			
Income before income taxes		5,999	16,012
Adjustments for:			
Depreciation and amortisation		2,773	3,306
Share of income from associates and joint ventures	12	(755)	(1,254)
Streaming revenue and other non-current provisions		(33)	48
Gain on acquisitions and disposals of non-current assets	5	(679)	(1,463)
Unrealised mark-to-market movements on other investments	6	87	(41)
Impairments/(reversal of impairments)	8	47	(40)
Other non-cash items – net ¹		130	1,126
Interest expense – net	7	839	596
Cash generated by operating activities before working capital changes, interest and tax		8,408	18,290
Working capital changes			
Decrease/(increase) in accounts receivable ²		8,529	(10,242)
Decrease/(increase) in inventories		1,770	(1,684)
(Decrease)/increase in accounts payable ³		(6,931)	2,884
Total working capital changes		3,368	(9,042)
Income taxes paid		(5,116)	(3,023)
Interest received		281	67
Interest paid		(928)	(556)
Net cash generated by operating activities		6,013	5,736
Investing activities			
Increase in long-term advances and loans	13	–	(200)
Net cash (used)/received in acquisition of subsidiaries	24	(199)	321
Net cash received on disposal of subsidiaries	24	770	610
Purchase of investments		(88)	(183)
Proceeds from sale of investments		55	19
Purchase of property, plant and equipment		(2,080)	(1,876)
Proceeds from sale of property, plant and equipment		133	29
Dividends received from associates and joint ventures	12	879	1,058
Net cash used by investing activities		(530)	(222)

1 See reconciliation below.

2 Includes movements in other financial assets, prepaid expenses and certain long-term advances and loans.

3 Includes movements in other financial liabilities, provisions and deferred income.

Other non-cash items comprise the following:

US\$ million	Notes	2023	2022
Net foreign exchange (gains)/losses	6	(190)	290
Closed site rehabilitation provisioning	6	–	83
Share based and deferred remuneration costs		237	749
Other		83	4
Total		130	1,126

All amounts presented are derived from continuing operations. The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US\$ million	Notes	2023	2022
Financing activities¹			
Proceeds from issuance of capital market notes ²		995	–
Repayment of capital market notes		(1,500)	(1,392)
Repurchase of capital market notes		–	(103)
Proceeds from/(repayment of) revolving credit facility		1,539	(1,863)
Proceeds from other non-current borrowings		14	414
Repayment of other non-current borrowings		(95)	(78)
Repayment of lease liabilities		(281)	(301)
Margin receipts/(payments) in respect of financing related hedging activities		258	(1,389)
(Repayments of)/proceeds from current borrowings		(1,613)	1,910
Proceeds from/(repayment of) U.S. commercial papers		307	(1,150)
Acquisition of non-controlling interests in subsidiaries		9	–
Return of capital/distributions to non-controlling interests		(4)	(218)
Purchase of own shares	17	(2,428)	(486)
Disposal of own shares ³		–	247
Distributions paid to equity holders of the Parent	19	(2,749)	(1,707)
Net cash used by financing activities		(5,548)	(6,116)
Decrease in cash and cash equivalents		(65)	(602)
Effect of foreign exchange rate changes		(20)	(25)
Cash and cash equivalents, beginning of period		1,998	3,308
Cash and cash equivalents, end of period		1,913	2,681
Cash and cash equivalents reported in the statement of financial position		1,863	2,636
Cash and cash equivalents attributable to assets held for sale		50	45

¹ Refer to note 20 for reconciliation of movement in borrowings.

² Amount net of issuance costs relating to capital market notes of \$5 million (2022: \$Nil).

³ Comprises primarily cash received from the exercise of share-based option awards assumed in previous business combinations. There are no outstanding options as at 30 June 2023.

All amounts presented are derived from continuing operations. The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

	Retained earnings	Share premium	Other reserves	Own shares (Note 17)	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests	Total equity
1 January 2022	7,914	43,679	(5,931)	(5,877)	39,785	146	39,931	(3,014)	36,917
Income for the period	12,085	–	–	–	12,085	–	12,085	10	12,095
Other comprehensive income/(loss)	139	–	(770)	–	(631)	–	(631)	(10)	(641)
Total comprehensive income	12,224	–	(770)	–	11,454	–	11,454	–	11,454
Own share disposals (see note 17)	(125)	–	–	430	305	–	305	–	305
Own share purchases (see note 17)	–	–	–	(486)	(486)	–	(486)	–	(486)
Equity-settled share-based expenses	(121)	–	–	–	(121)	–	(121)	–	(121)
Change in ownership interest in subsidiaries	–	–	–	–	–	–	–	5	5
Acquisition/disposal of business (see note 23)	–	–	–	–	–	–	–	(5)	(5)
Distributions (see note 19)	–	(3,400)	–	–	(3,400)	–	(3,400)	(218)	(3,618)
30 June 2022	19,892	40,279	(6,701)	(5,933)	47,537	146	47,683	(3,232)	44,451

	Retained earnings	Share premium	Other reserves	Own shares (Note 17)	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests	Total equity
1 January 2023	25,246	36,717	(6,833)	(5,861)	49,269	141	49,410	(4,191)	45,219
Income for the period	4,568	–	–	–	4,568	–	4,568	(300)	4,268
Other comprehensive income/(loss)	54	–	(311)	–	(257)	–	(257)	(28)	(285)
Total comprehensive income	4,622	–	(311)	–	4,311	–	4,311	(328)	3,983
Own share disposals (see note 17)	(96)	–	–	186	90	–	90	–	90
Own share purchases (see note 17)	–	–	–	(2,428)	(2,428)	–	(2,428)	–	(2,428)
Equity-settled share-based expenses	(119)	–	–	–	(119)	–	(119)	–	(119)
Change in ownership interest in subsidiaries	–	–	(10)	–	(10)	–	(10)	42	32
Cancellation of shares (see note 17)	–	(1,449)	–	1,453	4	(4)	–	–	–
Distributions (see note 19)	–	(5,600)	–	–	(5,600)	–	(5,600)	(4)	(5,604)
30 June 2023	29,653	29,668	(7,154)	(6,650)	45,517	137	45,654	(4,481)	41,173

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. Corporate information

Glencore plc (the “Company”, “Parent”, the “Group” or “Glencore”) is a leading integrated producer and marketer of natural resources, with worldwide activities in the production, refinement, processing, storage, transport and marketing of metals and minerals and energy products. Glencore operates on a global scale, marketing and distributing physical commodities sourced from third party producers and own production to industrial consumers, such as those in the battery, electronic, construction, automotive, steel, energy and oil industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities. In this regard, Glencore seeks to capture value throughout the commodity supply chain. Glencore's long experience as a commodity producer and merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions.

Glencore is a publicly traded limited company incorporated in Jersey and domiciled in Switzerland, at Baarermattstrasse 3, 6340 Baar. Its ordinary shares are traded on the London and Johannesburg stock exchanges.

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 were authorised for issue in accordance with a Directors' resolution on 7 August 2023.

2. Accounting policies

BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC), as adopted by the United Kingdom, and the Disclosure and Transparency Rules of the Financial Conduct Authority effective for Glencore's reporting for the six months ended 30 June 2023. These unaudited condensed consolidated interim financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2022 Annual Report of Glencore plc (2022 Annual Report) available at www.glencore.com. These condensed consolidated interim financial statements for the six months ended 30 June 2023 and 2022, and financial information for the year ended 31 December 2022 do not constitute statutory accounts. Certain financial information that is included in the audited annual financial statements but is not required for interim-reporting purposes has been condensed or omitted.

The 2022 Annual Report and audited consolidated financial statements for the year ended 31 December 2022 have been filed with the Jersey Registrar of Companies and the audit report on those consolidated financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Article 113A of the Companies (Jersey) Law 1991.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared on a going concern basis as the Directors believe there are no material uncertainties that lead to significant doubt that the Group can continue as a going concern in the foreseeable future, a period not less than 12 months from the date of this report. The Directors have made this assessment after consideration of the Group's forecast cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices) and access to undrawn credit facilities and monitoring of debt maturities.

All amounts are expressed in millions of United States Dollars, the presentation currency of the Group, unless otherwise stated.

The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements are prepared using the same accounting policies as applied in the audited 2022 Annual Report, except for a clarification in the policy for physical advances and prepayments and the adoption of a number of clarification revisions to existing accounting pronouncements.

PHYSICAL ADVANCES AND PREPAYMENTS

The Group, periodically, enters into physical advances and prepayment agreements with certain suppliers and customers. Where such advances and prepayments are separable from contracts to buy or sell commodities and are primarily settled in cash or another financial asset, they are initially recorded at the amount of the cash paid or received and are subsequently classified and measured as financial assets or financial liabilities at amortised cost.

Certain physically-settled advances and prepayments which are not separable from contracts to buy or sell commodities and do not meet the own-use exemption criteria are considered prepaid commodity forward contracts and are accounted as financial instruments measured at fair value through profit and loss.

When physically-settled advances and prepayments which are not separable from contracts to buy or sell commodities meet the own-use exemption criteria, they are classified as non-financial assets or non-financial liabilities. These are initially recorded at the amount of the cash paid or received and are subsequently reduced by the relevant value of the contractual volumes of physical deliveries made.

2. Accounting policies continued

To conform with current period presentation, certain prior period amounts which are accounted for as financial instruments were reclassified from 'Non-financial assets' to 'Financial assets at amortised cost' and 'Financial assets at fair value through profit and loss' (see notes 13 and 15), from 'Prepayments' to 'Prepayments at fair value through profit and loss' (see note 21), and from 'Non-financial liabilities' to 'Financial liabilities at fair value through profit and loss' (see note 23).

ADOPTION OF NEW AND REVISED STANDARDS

The following clarification revisions to existing accounting pronouncements became effective as of 1 January 2023 and have been adopted by the Group.

(i) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – effective for year ends beginning on or after 1 January 2023

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations, and clarify that the initial recognition exception does not apply to transactions where both an asset and a liability are recognised in a single transaction. Accordingly, deferred tax is required to be recognised on such transactions.

(ii) Definition of Accounting Estimates (Amendments to IAS 8) – effective for year ends beginning on or after 1 January 2023

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

(iii) Materiality of Accounting Policy Disclosure (Amendments to IAS 1) – effective for year ends beginning on or after 1 January 2023

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

(iv) IFRS 17 – Insurance Contracts and amendments to IFRS 17 – effective for year ends beginning on or after 1 January 2023

IFRS 17 replaces IFRS 4 'Insurance Contracts' and provides a new general model for accounting for contracts where the issuer accepts significant insurance risk from another party and agrees to compensate that party if future uncertain event adversely affects them.

These amendments did not have a material impact on the Group.

(v) International Tax Reform – Pillar Two Model Rules – effective for year ends beginning on or after 1 January 2023

International Accounting Standards Board (IASB) issued International Tax Reform – Pillar Two Model Rules, which amended IAS 12 Income Taxes. The amendments introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and targeted disclosure requirements for affected entities. Glencore has applied the exception.

KEY JUDGEMENTS AND ESTIMATES

The critical accounting judgements and key sources of estimation uncertainty for the period ended 30 June 2023 are the same as those disclosed in the 2022 Annual report, and changes in these judgements and estimates and their impact on these interim financial statements are referenced below:

- Determination of control of subsidiaries and joint arrangements – see note 24;
- Classification of transactions which contain a financing element – see note 23;
- Classification of physical liquified natural gas (LNG) purchase and sale contracts at amortised cost or fair value through profit and loss – see notes 25 and 26;
- Investigations by regulatory and enforcement authorities and claims against the company in connection with the investigations – Critical judgement in relation to whether a present obligation exists – see note 28;
- Impact of carbon pricing. No material change to the Group's related accounting estimates is expected within the next financial year as a result of this judgement.
- Valuation of investments in EN+ and Rosneft. No material change to the Group's related accounting estimates is expected within the next financial year as a result of this judgement.
- Recognition of deferred tax assets and uncertain tax positions – see note 9;
- Impairment and impairment reversals – see note 8; and
- Restoration, rehabilitation and decommissioning – see note 22.

3. Segment information

Glencore is organised and operates on a worldwide basis in two core business segments – Marketing activities and Industrial activities, reflecting the reporting lines and structure used by Glencore's management to allocate resources and assess the performance of Glencore.

The business segments' contributions to the Group are primarily derived from a) the net margin or premium earned from physical Marketing activities (net sale and purchase of physical commodities) and the provision of marketing and related value-add services and b) the net margin earned from Industrial asset activities (resulting from the sale of physical commodities over the cost of production and/or cost of sales). The marketing related operating segments have been aggregated under the Marketing reportable segment as their economic characteristics (historic and expected long-term Adjusted EBITDA margins and the nature of the marketing services provided) are similar. The industrial related operating segments have been aggregated under the Industrial reportable segment as the core activities (extracting raw material and / or processing it further into saleable product, as required, and then selling it at prevailing market prices), the exposure to long-term economic risks (price movements, technology, sovereign and production substitution) and the longer-term average Adjusted EBITDA margins are similar. The economic and operational characteristics of our coal operating and commercial units are not expected to change in the foreseeable future and continue to be included within the industrial assets and marketing reporting segments respectively.

Corporate and other: consolidated statement of income amounts represent Group related income and expenses (including share of Viterra earnings and certain variable bonus charges). Statement of financial position amounts represent Group related balances. In June 2023, Glencore and its fellow shareholders in Viterra Limited, concluded an agreement with Bunge Limited to merge Bunge and Viterra in a cash and stock transaction. As a result, the carrying amount of the 49.9% investment in Viterra as at 30 June 2023 is classified as held for sale (see note 16) and, while having this classification, Glencore will no longer be accounting for its share of Viterra's income going forward. However, for segmental reporting purposes, and for internal reporting, Viterra will continue to be accounted for as an equity accounted associate and reconciled accordingly to Glencore's statutory disclosures.

The financial performance of the operating segments is principally evaluated by management with reference to Adjusted EBIT/EBITDA. Adjusted EBIT is the net result of segmental revenue (revenue including Proportionate adjustments as defined in the Alternative performance measure section) less cost of goods sold and selling and administrative expenses plus share of income from associates and joint ventures, dividend income and the attributable share of Adjusted EBIT of relevant material associates and joint ventures, which are accounted for internally by means of proportionate consolidation, excluding significant items. Adjusted EBITDA consists of Adjusted EBIT plus depreciation and amortisation, including the related Proportionate adjustments. In addition, Volcan, while a subsidiary of the Group, is accounted for under the equity method for internal reporting and analysis due to the relatively low economic ownership held by the Group.

The accounting policies of the operating segments are the same as those described in note 2 with the exception of the Antamina copper/zinc mine, the Collahuasi joint venture and Volcan. Under IAS 28 and IFRS 11, Glencore's investment in the Antamina copper/zinc mine (34% owned at 30 June 2023 and 31 December 2022) is considered to be an associate as it is not subject to joint control and the Collahuasi copper mine (44% owned at 30 June 2023 and 31 December 2022) is considered to be a joint venture. Associates and joint ventures are required to be accounted for in Glencore's financial statements under the equity method. For internal reporting and analysis, Glencore evaluates the performance of these investments under the proportionate consolidation method, reflecting Glencore's proportionate share of the revenues, expenses, assets and liabilities of the investments. For internal reporting and analysis, management evaluates the performance of Volcan under the equity method, reflecting the Group's relatively low 23.3% economic ownership (at 30 June 2023 and 31 December 2022) in this fully ring-fenced listed entity, with its stand-alone, independent and separate capital structure. The balances as presented for internal reporting purposes are reconciled to Glencore's statutory disclosures in the following tables and/or in the Alternative performance measures section.

In Q4 2022, Glencore commenced a process exploring the possible disposal of its 23.3% economic interest in Volcan. As a result, the carrying amounts of Volcan assets and liabilities as at 30 June 2023 and 31 December 2022 are classified as held for sale (see note 16). For segmental reporting purposes, Volcan continues to be accounted for as an equity accounted associate.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

3. Segment information continued

Glencore accounts for intra-segment sales and transfers where applicable as if the sales or transfers were to third parties, i.e. at arm's length commercial terms.

Six months ended 30 June 2023

US\$ million	Marketing activities	Industrial activities	Inter-segment eliminations	Total
Revenue				
Metals and minerals	34,952	17,423	(11,071)	41,304
Energy products	56,479	13,137	(2,281)	67,335
Corporate and other	–	4	–	4
Revenue - segmental	91,431	30,564	(13,352)	108,643
Proportionate adjustment – revenue ¹	–	(1,228)	–	(1,228)
Revenue – reported measure	91,431	29,336	(13,352)	107,415
Metals and minerals				
Adjusted EBITDA	833	3,056	–	3,889
Depreciation and amortisation	(30)	(1,436)	–	(1,466)
Proportionate adjustment – depreciation ¹	–	(319)	–	(319)
Adjusted EBIT	803	1,301	–	2,104
Energy products				
Adjusted EBITDA	1,193	4,658	–	5,851
Depreciation and amortisation	(184)	(1,101)	–	(1,285)
Adjusted EBIT	1,009	3,557	–	4,566
Corporate and other				
Adjusted EBITDA ²	(39)	(304)	–	(343)
Depreciation and amortisation	–	(22)	–	(22)
Adjusted EBIT	(39)	(326)	–	(365)
Total Adjusted EBITDA	1,987	7,410	–	9,397
Total depreciation and amortisation	(214)	(2,559)	–	(2,773)
Total depreciation proportionate adjustment ¹	–	(319)	–	(319)
Total Adjusted EBIT	1,773	4,532	–	6,305
Share of associates' significant items ³				(79)
Movement in unrealised inter-segment profit elimination adjustments ⁴				176
Gain on acquisitions and disposals of non-current assets				679
Other expense – net				(18)
Impairments				(47)
Interest expense – net				(839)
Income tax expense				(1,731)
Proportionate adjustment – net finance, impairment and income tax expense ⁵				(178)
Income for the period				4,268
Capital expenditure				
Metals and minerals	60	1,808	–	1,868
Energy products	280	631	–	911
Corporate and other	–	30	–	30
Capital expenditure – segmental (30 June 2023)	340	2,469	–	2,809
Proportionate adjustment – capital expenditure ¹	–	(548)	–	(548)
Capital expenditure – reported measure⁵ (30 June 2023)	340	1,921	–	2,261

US\$ million	Marketing activities	Industrial activities	Corporate and other	Total
Total assets (as at 30 June 2023)	46,531	65,677	9,546	121,754

1 Refer to segment information on previous page and APMs section for definition.

2 Marketing activities include \$132 million of Glencore's equity accounted share of Viterra.

3 Share of associates' significant items comprise Glencore's share of significant charges relating to impairments and other items booked directly by various associates, notably Viterra.

4 Represents the required adjustment to eliminate unrealised profit or losses arising on inter-segment transactions, i.e. before ultimate sale to a third party. For Glencore, such adjustments arise on the sale of product, in the ordinary course of business, from its Industrial to Marketing operations. Management assesses segment performance prior to any such adjustments, as if the sales were to third parties.

5 Includes \$353 million (\$267 million in Marketing activities and \$86 million in Industrial activities) of 'right-of-use assets' capitalised in accordance with IFRS 16 – Leases.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

3. Segment information continued

Six months ended 30 June 2022

US\$ million	Marketing activities	Industrial activities	Inter-segment eliminations	Total
Revenue				
Metals and minerals ¹	43,013	21,206	(13,958)	50,261
Energy products	71,298	19,574	(5,283)	85,589
Corporate and other	–	3	–	3
Revenue - segmental	114,311	40,783	(19,241)	135,853
Proportionate adjustment – revenue ²	–	(1,418)	–	(1,418)
Revenue – reported measure	114,311	39,365	(19,241)	134,435
Metals and minerals				
Adjusted EBITDA	1,013	5,877	–	6,890
Depreciation and amortisation	(28)	(1,711)	–	(1,739)
Proportionate adjustment – depreciation ²	–	(197)	–	(197)
Adjusted EBIT	985	3,969	–	4,954
Energy products				
Adjusted EBITDA	3,177	9,465	–	12,642
Depreciation and amortisation	(191)	(1,341)	–	(1,532)
Adjusted EBIT	2,986	8,124	–	11,110
Corporate and other				
Adjusted EBITDA ³	(303)	(311)	–	(614)
Depreciation and amortisation	–	(35)	–	(35)
Adjusted EBIT	(303)	(346)	–	(649)
Total Adjusted EBITDA	3,887	15,031	–	18,918
Total depreciation and amortisation	(219)	(3,087)	–	(3,306)
Total depreciation proportionate adjustment	–	(197)	–	(197)
Total Adjusted EBIT	3,668	11,747	–	15,415
Movement in unrealised inter-segment profit elimination adjustments ⁴				488
Gain on acquisitions and disposals of non-current assets				1,463
Other expense – net				(502)
Reversal of impairments				40
Interest expense – net				(596)
Income tax expense				(3,917)
Proportionate adjustment – net finance and income tax expense ²				(296)
Income for the period				12,095
Capital expenditure				
Metals and minerals	43	1,520	–	1,563
Energy products	58	436	–	494
Corporate and other	–	11	–	11
Capital expenditure – segmental (30 June 2022)	101	1,967	–	2,068
Proportionate adjustment – capital expenditure ²	–	(165)	–	(165)
Capital expenditure – reported measure⁵ (30 June 2022)	101	1,802	–	1,903

US\$ million	Marketing activities	Industrial activities	Corporate and other	Total
Total assets (as at 30 June 2022)	63,639	70,389	5,927	139,955

1 Certain prior year balances have been restated to conform with current year presentation of inter-segment eliminations.

2 Refer to segment information above and APMS section for definition.

3 Marketing activities include \$284 million of Glencore's equity accounted share of Viterra.

4 Represents the required adjustment to eliminate unrealised profit or losses arising on inter-segment transactions, i.e. before ultimate sale to a third party. For Glencore, such adjustments arise on the sale of product, in the ordinary course of business, from its Industrial to Marketing operations. Management assesses segment performance prior to any such adjustments, as if the sales were to third parties.

5 Includes \$184 million (\$61 million in Marketing activities and \$123 million in Industrial activities) of 'right-of-use assets' capitalised in accordance with IFRS 16 – Leases.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

4. Revenue

US\$ million	HI 2023	HI 2022
Sale of commodities	105,690	132,749
Freight, storage and other services	1,725	1,686
Total	107,415	134,435

Revenue is derived principally from the sale of commodities, recognised once control of the goods has transferred from Glencore to the buyer. Revenue from sale of commodities includes \$1,012 million negative (2022: \$2,085 million positive) of mark-to-market related adjustments on provisionally priced sales arrangements, predominantly recognised within our Marketing segment. Revenue derived from freight, storage and other services is recognised over time as the service is rendered. Revenue is measured based on consideration specified in the contract with the customer and is presented net of amounts prepaid as incentives and/or rebates paid to customers, and excludes amounts collected on behalf of third parties. This is consistent with the revenue information disclosed for each reportable segment (see note 3).

5. Gain/(loss) on acquisitions and disposals of non-current assets

US\$ million	HI 2023	HI 2022
Gain on sale of Cobar	24	597
Gain on bargain purchase of Cerrejón	24	–
Gain on sale of Ernest Henry	24	–
Loss on sale of Bolivia Zinc	24	–
Loss on sale of E&P Chad	24	–
Net gain on sale of other investments/operations		27
Gain on disposal of property, plant and equipment		55
Total	679	1,463

2023

Disposal of Cobar

In June 2023, Glencore completed the disposal of its interest in the CSA mine, a copper mine in New South Wales, Australia, resulting in a gain on sale of \$597 million (see note 24).

2022

Acquisition of Cerrejón

In January 2022, Glencore completed the acquisition of the remaining 66.67% interest in Cerrejón, a coal mine in Colombia, resulting in a bargain purchase gain of \$1,029 million (see note 24).

Disposal of Ernest Henry

In January 2022, Glencore completed the disposal of its interest in Ernest Henry Mining Pty Ltd, a copper-gold mine in Queensland, Australia, resulting in a gain on sale of \$512 million (see note 24).

Disposal of Bolivia Zinc

In March 2022, Glencore completed the disposal of its interest in the Bolivia zinc assets (Sinchi Wayra and Illapa), resulting in a loss on sale of \$104 million (see note 24).

Disposal of E&P Chad

In June 2022, Glencore completed the disposal of its Chad upstream oil operations, resulting in a loss on sale of \$34 million (see note 24).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

6. Other income/(expense) – net

US\$ million	HI 2023	HI 2022
Net foreign exchange gains	190	–
Net changes in mark-to-market valuations	–	41
Other income – net	66	30
Total other income	256	71
Net foreign exchange losses	–	(290)
Net changes in mark-to-market valuations	(87)	–
Legal and regulatory proceedings	(81)	(153)
Closed sites rehabilitation provisioning	–	(83)
Other expenses – net	(106)	(47)
Total other expenses	(274)	(573)
Total other expense – net	(18)	(502)

Together with foreign exchange movements and mark-to-market valuations, other net income / (expense) includes other items that, due to their nature and variable financial impact or infrequency of the events giving rise to these items, are reported separately from operating segment results.

NET CHANGES IN MARK-TO-MARKET VALUATIONS

Primarily relates to movements on interests in investments and loans (see notes 12 and 13), the ARM Coal non-discretionary dividend obligation (see note 26) and deferred consideration related to the Mototolo stake sale in 2018 (see notes 13 and 15), all carried at fair value.

NET FOREIGN EXCHANGE LOSSES

2022 net foreign exchange losses included realised foreign currency losses of \$431 million recognised on the restructuring and partial repayment of ZAR-denominated intragroup debt and return of capital that were part of the Group's net investment in its South African operations. These repayments are considered a partial disposal of a net investment in a subsidiary, and thus a proportionate share of the total accumulated foreign exchange losses recognised in the net investment were recycled to the statement of income upon these repayments.

LEGAL AND REGULATORY PROCEEDINGS

Comprises various investigations (legal, expert and compliance) related costs and other costs for ongoing legal matters of \$81 million (2022: \$153 million)(see note 28).

CLOSED SITES REHABILITATION PROVISIONING

Comprises movements in restoration, rehabilitation and decommissioning estimates related to sites that are no longer operational (see note 22).

7. Interest income/(expense)

US\$ million	Notes	HI 2023	HI 2022
Bank deposits and other financial assets		315	105
Interest income and accretion on certain advances repayable with product		–	30
Loans to associates		6	5
Interest income		321	140
Interest expense for financial liabilities not classified at FVTPL			
Capital market notes		(622)	(352)
Revolving credit facilities		(73)	(52)
Lease liabilities		(50)	(42)
Other bank loans		(158)	(83)
Less: capitalised interest		27	11
Other interest		(128)	(50)
		(1,004)	(568)
Other interest expense			
Post-retirement employee benefits		(11)	(10)
Deferred income	21	(51)	(51)
Restoration and rehabilitation	22	(59)	(81)
Other provisions	22	(21)	(19)
Other interest		(14)	(7)
		(156)	(168)
Interest expense		(1,160)	(736)

8. Impairments

US\$ million	Notes	HI 2023	HI 2022
(Impairments)/reversal of impairments of non-current assets			
Property, plant and equipment and intangible assets	10	–	84
Investments	12	–	(70)
Advances and loans – current and non-current	13/15	(56)	23
		(56)	37
Reversal of impairments of financial assets			
Advances and loans – current and non-current	13/15	9	3
		9	3
Total impairments¹		(47)	40

¹ Impairments recognised during the period are allocated to Glencore's operating segments as follows: Marketing activities \$59 million (2022: reversal of impairments of \$26 million) and Industrial activities reversal of impairment of \$12 million (2022: reversal of impairments of \$14 million).

As part of a regular portfolio review, Glencore carries out an assessment of whether there are indicators of cash-generating unit (CGU) or asset impairments or whether a previously recorded impairment may no longer be required, including consideration of the potential impacts of climate change. The measurement principles regarding fair value less costs of disposal versus value in use are set out in note 7 to the 2022 Annual Report and have not changed over the period.

2023

Property, plant and equipment and intangible assets

No impairments or reversals of impairments were identified as a result of the regular impairment assessment.

Advances and loans – current and non-current

Impairment charges on advances and loans of net \$47 million (none of which were individually material) were recognised following the change in the underlying financial condition of various counterparties.

2022

Property, plant and equipment and intangible assets

As a result of significantly improved market conditions in the oil and gas markets in 2022, particularly over the short-term, various impairment reversals were recognised relating to specific assets, none of which were individually material.

No other impairments or reversals of impairments were identified as a result of the regular impairment assessment.

Estimation uncertainty – impairments and impairment reversals, CGUs with limited headroom

As disclosed in our 2022 Annual Report, key sources of estimation uncertainty are the estimates used to determine impairments or impairment reversals (particularly commodity price estimates). The Group assessed impairment and impairment reversal indicators as at 30 June 2023. Other than as set out above, none were identified. However, for certain CGUs where no impairment was recognised, should there be a significant deterioration in the key assumptions (mainly price curves and annual production over the life of mine), a material impairment could result in the next financial year. The sensitivities as disclosed in note 1 and note 7 of the 2022 Annual Report continue to be appropriate, including the longer-term sensitivities for CGUs potentially impacted by climate change.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

9. Income taxes

Income taxes consist of the following:

US\$ million	HI 2023	HI 2022
Current income tax expense	(1,811)	(3,805)
Adjustments in respect of prior year current income tax	(181)	(267)
Deferred income tax credit	245	183
Adjustments in respect of prior year deferred income tax	16	(28)
Total tax expense reported in the statement of income	(1,731)	(3,917)
Current income tax (expense)/credit recognised directly in other comprehensive income	–	–
Deferred income tax expense recognised directly in other comprehensive income	(22)	(48)
Total tax expense recognised directly in other comprehensive income	(22)	(48)

The effective Group tax rate is different from the statutory Swiss income tax rate applicable to the Company for the following reasons:

US\$ million	HI 2023	HI 2022
Income before income taxes	5,999	16,012
Less: Share of income from associates and joint ventures	(755)	(1,254)
Parent Company's and subsidiaries' income before income tax and attribution	5,244	14,758
Income tax expense calculated at the Swiss income tax rate of 12% (2022: 12%)	(629)	(1,771)
Tax effects of:		
Different tax rates from the standard Swiss income tax rate	(951)	(1,990)
Tax-exempt income	422	355
Items not tax deductible	(713)	(584)
Foreign exchange fluctuations	156	(45)
Changes in tax rates	(12)	(1)
Utilisation and changes in recognition of tax losses and temporary differences	278	412
Tax losses not recognised	(150)	(16)
Adjustments in respect of prior years	(165)	(295)
Other	33	18
Income tax expense	(1,731)	(3,917)

The non-tax deductible items of \$713 million (2022: \$584 million) primarily relate to financing costs, impairments and various other expenses.

The impact of tax-exempt income of \$422 million (2022: \$355 million) primarily relates to non-taxable dividends, income that is not effectively connected to the taxable jurisdiction, and various other items.

The tax impact of foreign exchange fluctuations relates to the foreign currency movements on deferred tax balances where the underlying tax balances are denominated in a currency different to the functional currency determined for accounting purposes.

INCOME TAX RECEIVABLE / PAYABLE

US\$ million	2023	2022
Income tax receivable	908	401
Income tax payable	(1,980)	(4,660)
Net income tax payable	(1,072)	(4,259)

INCOME TAX JUDGEMENTS AND UNCERTAIN TAX LIABILITIES

Glencore assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. For those matters where it is probable that an adjustment will be made, the Group records its reasoned estimate of these tax liabilities, including related interest charges. These current open tax matters are spread across numerous jurisdictions and consist primarily of legacy transfer pricing matters that have been open for a number of years and may take several more years to resolve. In recognising a provision for these taxation exposures, consideration was given to the range of possible outcomes to determine the Group's best estimate of the amount to provide. As at 30 June 2023, the Group has recognised \$1,413 million (2022: \$1,486 million) of uncertain tax liabilities related to possible adverse outcomes of these open matters, of which, \$311 million (2022: \$311 million) has been recognised net of deferred tax assets, with the balance of \$1,102 million (2022: \$1,175 million) recognised as an income tax payable. The change in the total uncertain tax position during the period reflects the issuance of various new assessments and the outcome of certain settlements and court rulings.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

9. Income taxes continued

UK Tax Audit

In previous periods, HMRC issued formal transfer pricing, unallowable purposes and diverted profits tax assessments for the 2008-2018 tax years, amounting to \$744 million. The Group has appealed against, and continues to vigorously contest, these assessments, following, over the years, various legal opinions received and detailed analysis conducted, supporting its positions and policies applied. Therefore, the Group has not fully provided for the amount assessed. The matter is now proceeding through the Mutual Agreement Process, pursuant to article 24 of the Switzerland – United Kingdom Income Tax Treaty 1977. Management does not anticipate a significant risk of material changes in estimates in this matter within the next financial year.

DRC Tax Audit

As a matter of course, various tax authorities in the DRC issue assessments adjusting revenue and denying costs and other items, along with customs related claims for alleged non-compliance or incorrect coding on certain filings. Upon receipt of such assessments, the Group engages with the tax authorities to defend its filing positions. As at 30 June 2023, there are various ongoing technical discussions and challenges, the ultimate outcome of which remains uncertain, and therefore there remains a risk that the outcome could materially impact the recognised balances within the next financial year. It is impractical to provide further sensitivity estimates of potential downside variances.

10. Property, plant and equipment

US\$ million	Freehold land and buildings	Plant and equipment	Right-of-use assets ¹	Mineral and petroleum rights	Exploration and evaluation	Deferred mining costs	Total
Net book value:							
1 January 2023	3,697	16,708	1,472	12,908	51	4,728	39,564
Business combination ²	12	49	–	–	–	3	64
Disposal of subsidiaries ²	–	(2)	–	(15)	–	–	(17)
Additions	11	1,440	353	49	–	383	2,236
Disposals	–	(68)	(22)	–	–	(1)	(91)
Depreciation	(142)	(1,101)	(292)	(691)	–	(483)	(2,709)
Effect of foreign currency exchange movements	(6)	(126)	(1)	(124)	(1)	(30)	(288)
Other movements ³	52	(395)	(6)	174	11	310	146
Net book value 30 June 2023	3,624	16,505	1,504	12,301	61	4,910	38,905

¹ Net book value of recognised right-of-use assets relates to land and buildings (\$403 million) and plant and equipment (\$1,101 million).

² See note 24.

³ Primarily consist of increases in rehabilitation costs of \$161 million and reclassifications within the various property, plant and equipment headings.

During the period ended 30 June 2022, Glencore added property, plant and equipment with a cost of \$1,896 million and disposed of property, plant and equipment with net book value of \$50 million.

11. Intangible assets

US\$ million	Notes	Goodwill	Port allocation rights	Licences, trademarks and software	Customer relationships and other	Total
Net book value:						
1 January 2023		5,000	747	206	207	6,160
Disposal of subsidiaries	24	–	–	(12)	–	(12)
Additions		–	–	2	23	25
Disposals		–	–	–	(11)	(11)
Amortisation ¹		–	(27)	(20)	(17)	(64)
Effect of foreign currency exchange movements		–	(71)	5	5	(61)
Other movements		–	–	7	(1)	6
Net book value 30 June 2023		5,000	649	188	206	6,043

¹ Recognised in cost of goods sold.

12. Investments in associates, joint ventures and other investments

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

US\$ million	Notes	2023
1 January		11,878
Additions		119
Disposals		(22)
Share of income from associates and joint ventures		755
Share of other comprehensive income from associates and joint ventures		23
Transfer of previously equity accounted investment to subsidiary	24	(18)
Dividends received		(879)
Reclassification to held for sale	16	(3,769)
Other movements		18
30 June		8,105
Of which:		
Investments in associates		4,859
Investments in joint ventures		3,246

As at 30 June 2023, the carrying value of our listed associates is \$587 million (2022: \$430 million), mainly comprising Century Aluminum, Metals Acquisition Corp. and PT CITA, which have carrying values of \$213 million (2022: \$232 million), \$100 million (2022: \$Nil) and \$179 million (2022: \$181 million), respectively. The fair value of our listed associates, using published price quotations (a Level 1 fair value measurement) is \$760 million (2022: \$652 million).

Transfer of previously held equity accounted investment to subsidiary

In March 2023, Glencore completed the acquisition of the remaining 75% interest in Noranda Income Fund, an electrolytic zinc processing facility and ancillary assets located in Salaberry-de-Valleyfield, Quebec, that it did not previously own. Prior to the acquisition, Glencore owned a 25% interest in Noranda Income Fund which was accounted for as an associate (see note 24).

OTHER INVESTMENTS

US\$ million	FVTOCI ¹	FVTPL ²	2023
1 January	419	37	456
Additions	61	4	65
Disposals	-	(39)	(39)
Changes in mark-to-market valuations	(13)	2	(11)
30 June	467	4	471

1 FVTOCI – Fair value through other comprehensive income.

2 FVTPL – Fair value through profit and loss.

Dividend income from equity investments designated as at fair value through other comprehensive income and recognised in the statement of income amounted to \$2 million for the period ended 30 June 2023 (2022: \$43 million).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

13. Advances and loans

US\$ million	Notes	as at 30.06.2023	as at 31.12.2022
Financial assets at amortised cost			
Loans to associates		131	130
Advances and loans ¹²		777	580
Deferred consideration	24	124	142
Rehabilitation trust fund ³		136	148
		1,168	1,000
Financial assets at fair value through profit and loss			
Prepaid commodity forward contracts ²⁴	25	195	44
Other non-current receivables and loans	25	23	22
Convertible loan	25	185	168
Contingent consideration	25	19	103
		422	337
Non-financial assets			
Pension surpluses		195	148
Advances repayable with product ²		868	939
Land rights prepayment		150	150
Other tax and related non-current receivables		85	80
		1,298	1,317
Total		2,888	2,654

1 Net of \$418 million (2022: \$538 million) provided by various banks, the repayment terms of which are contingent upon and connected to the future delivery of contractual production.

2 Certain amounts related to advances that are accounted for as financial instruments were reclassified from their prior period presentation within 'Non-financial assets' to 'Financial assets at amortised cost' (\$271 million) and 'Financial assets at fair value through profit and loss' (\$44 million).

3 The balance has been assessed for impairment and is deemed recoverable.

4 Net of \$576 million (2022: \$Nil) provided by various banks, the repayment terms of which are contingent upon and connected to the future delivery of contractual production.

FINANCIAL ASSETS AT AMORTISED COST

Loss allowances of financial assets at amortised cost

The Group determines the expected credit loss of loans to associates and other non-current receivables and loans (at amortised cost) and deferred consideration based on different scenarios of probability of default and expected loss applicable to each of the material underlying balances. Expected credit losses for these assets are measured as either 12-month expected credit losses, taking into account prior experience regarding probability of default adjusted for forward looking information, or as lifetime expected credit losses (when there is significant increase in credit risk or the asset is credit-impaired). The movement in loss allowance for financial assets classified at amortised cost is detailed below:

2023 US\$ million	Loans to associates			Advances and loans and deferred consideration			Total
	12-Month ECL	Lifetime ECL ¹	Total	12-Month ECL	Lifetime ECL ²	Total	
Gross carrying value							
1 January 2023 ³	15	191	206	365	716	1,081	1,287
Increase during the period	1	4	5	293	4	297	302
Decrease during the period	–	–	–	(98)	(23)	(121)	(121)
Effect of foreign currency exchange movements	(1)	(2)	(3)	–	–	–	(3)
Other movements	1	(2)	(1)	13	(3)	10	9
30 June 2023	16	191	207	573	694	1,267	1,474
Loss allowances							
1 January 2023 ³	–	76	76	9	350	359	435
Released during the period ⁴	–	(1)	(1)	–	(5)	(5)	(6)
Charged during the period ⁴	–	1	1	–	13	13	14
Effect of foreign currency exchange movements	–	–	–	(2)	1	(1)	(1)
30 June 2023	–	76	76	7	359	366	442
Net carrying value 30 June 2023	16	115	131	566	335	901	1,032

1 Comprises stage 2 credit losses of \$31 million (2022: \$Nil) and stage 3 credit losses of \$45 million (2022: \$76 million).

2 Comprises stage 2 credit losses of \$Nil (2022: \$51 million) and stage 3 credit losses of \$359 million (2022: \$285 million).

3 Certain amounts related to prepaid commodity contracts which do not meet the own-use exemption and are thus accounted for as financial instruments, were reclassified from their prior period presentation within 'Non-financial assets' to 'Financial assets at amortised cost'. Advances and loans opening balances have been adjusted accordingly.

4 \$7 million recognised as an impairment (see note 8) and the balancing charge of \$1 million recognised in net expected credit losses. In H1 2022, \$3 million was recognised as a reversal of impairment (see note 8) and the balancing charge of \$23 million recognised in net expected credit losses.

13. Advances and loans continued

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Convertible loan

In May 2022, Glencore subscribed for \$200 million of convertible debt in Li-Cycle Holdings Corp. (“Li-Cycle”), a lithium-ion battery recycler in North America, listed on the New York Stock Exchange. The convertible loan is repayable by 2027 at an effective interest rate of SOFR plus 5% per annum. If Glencore elects to convert during the conversion option period, Glencore would hold an approximate 10% equity stake in Li-Cycle. The loan is classified as financial asset at fair value through profit and loss in accordance with IFRS (see notes 25 and 26). During the period ended 30 June 2023, fair value movements of positive \$9 million were recognised in net changes in mark-to-market valuations (see note 6).

Contingent consideration

During the period ended 30 June 2023, fair value movements of negative \$22 million were recognised in net changes in mark-to-market valuations (see note 6).

14. Inventories

US\$ million	as at 30.06.2023	as at 31.12.2022
Inventory at fair value less costs of disposal	17,434	19,157
Raw materials and consumables	5,989	5,970
Semi finished products	5,487	5,527
Finished goods	2,896	2,806
Inventory at the lower of cost or net realisable value	14,372	14,303
Total current inventory	31,806	33,460
Raw materials and consumables	589	605
Inventory at the lower of cost or net realisable value	589	605
Total non-current inventory	589	605

CURRENT INVENTORY

The amount of inventories and related ancillary costs recognised as an expense during the period was \$91,409 million (2022: \$112,225 million).

Fair value of inventories are predominantly a Level 2 fair value measurement using observable market prices obtained from exchanges, traded reference indices or market survey services adjusted for relevant location and quality differentials. There are no significant unobservable inputs in the fair value measurement of such inventories.

Inventories of \$402 million (2022: \$862 million) are a Level 3 fair value measurement using observable market prices obtained from exchanges, traded reference indices or market survey services. Significant unobservable inputs in the fair value measurement of such inventories include relevant location and quality differentials. Movements during the period comprise unrealised losses recognised in cost of goods sold of \$95 million, purchases of \$170 million and sales of \$535 million. A 10% change in pricing assumptions would result in a \$7 million (2022: \$18 million) adjustment to the current carrying value.

Glencore has a number of dedicated financing facilities, which finance a portion of its inventories. In each case, the inventory has not been derecognised as the Group has not transferred control. The proceeds received are recognised as current borrowings (see note 20). As at 30 June 2023, the total amount of inventory pledged under such facilities was \$2,020 million (2022: \$3,455 million). The proceeds received and recognised as current borrowings were \$1,865 million (2022: \$3,092 million) and \$80 million (2022: \$80 million) as non-current borrowings.

NON-CURRENT INVENTORY

Non-current inventories valued at lower of cost or net realisable value are not expected to be utilised or sold within the normal operating cycle and are therefore classified as non-current inventory.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

15. Accounts receivable

US\$ million	Notes	as at 30.06.2023	as at 31.12.2022
Financial assets at amortised cost			
Trade receivables		5,644	7,202
Margin calls paid and other broker balances ¹		3,766	8,111
Receivables from associates		341	441
Deferred consideration	24	161	333
Other receivables ^{1,2,3}		574	605
		10,486	16,692
Financial assets at fair value through profit and loss			
Trade receivables containing provisional pricing features	25	4,179	5,426
Prepaid commodity forward contracts ⁴	25	518	520
Contingent consideration	25	130	128
Other receivables	25	8	73
		4,835	6,147
Non-financial assets			
Advances repayable with product ¹		265	223
Other tax and related receivables ⁵		1,722	1,503
		1,987	1,726
Total		17,308	24,565

1 Certain amounts related to advances and margin calls that are accounted for as financial instruments were reclassified from their prior period presentation within 'Non-financial assets' to 'Financial assets at amortised cost' (\$596 million to 'Margin calls paid and other broker balances' and \$77 million to 'Other receivables') and 'Financial assets at fair value through profit and loss' (\$520 million).

2 Includes current portion of non-current loans receivable of \$343 million (2022: \$396 million).

3 Net of \$227 million (2022: \$240 million) provided by banks, the repayment terms of which are contingent upon and connected to the future delivery of contractual production over the next 12 months.

4 Net of \$483 million (2022: \$247 million) provided by banks, the repayment terms of which are contingent upon and connected to the future delivery of contractual production over the next 12 months.

5 Comprises sales and other tax receivables of \$1,572 million (2022: \$1,351 million) and other receivables of \$150 million (2022: \$152 million).

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. Expected credit loss provisions are recognised in net expected credit losses and during the period, \$6 million (2022: \$2 million) of such losses were recognised. The following table details the risk profile of trade receivables based on the Group's provision matrix.

US\$ million As at 30 June 2023	Trade receivables – days past due					Total
	Not past due	<30	31 – 60	61 – 90	>90	
Gross carrying amount	3,670	299	124	48	1,681	5,822
Weighted average expected credit loss rate	0.46%	0.66%	0.95%	1.14%	5.27%	
Lifetime expected credit loss	(17)	(2)	(1)	–	(158)	(178)
Total	3,653	297	123	48	1,523	5,644

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

15. Accounts receivable continued

The Group determines the expected credit loss of receivables from associates, deferred consideration and other receivables (at amortised cost) based on different scenarios of probability of default and expected loss applicable to each of the material underlying balances. Expected credit losses for these assets are measured as either 12-month expected credit losses, taking into account prior experience regarding probability of default adjusted for forward looking information, or as lifetime expected credit losses (when there is significant increase in credit risk or the asset is credit-impaired). The movement in allowance for credit loss relating to receivables from associates and other receivables is detailed below:

US\$ million	Receivables from associates			Other receivables and deferred consideration			Total
	12-Month ECL	Lifetime ECL ¹	Total	12-Month ECL	Lifetime ECL ²	Total	
Gross carrying value							
1 January 2023 ³	432	136	568	896	185	1,081	1,649
Increase during the period	63	7	70	328	–	328	398
Decrease during the period	(166)	(14)	(180)	(500)	(17)	(517)	(697)
Effect of foreign currency exchange movements	–	2	2	(4)	–	(4)	(2)
Other movements	(1)	2	1	(13)	3	(10)	(9)
30 June 2023	328	133	461	707	171	878	1,339
Allowance for credit loss							
1 January 2023	–	127	127	39	104	143	270
Released during the period ⁴	–	(10)	(10)	(15)	–	(15)	(25)
Charged during the period ⁴	–	4	4	16	–	16	20
Utilised during the period	–	(3)	(3)	–	–	–	(3)
Effect of foreign currency exchange movements	–	2	2	–	(1)	(1)	1
30 June 2023	–	120	120	40	103	143	263
Net carrying value 30 June 2023	328	13	341	667	68	735	1,076

1 Comprises stage 2 credit losses of \$2 million (2022: \$2 million) and stage 3 credit losses of \$118 million (2022: \$125 million).

2 Comprises stage 2 credit losses of \$18 million (2022: \$29 million) and stage 3 credit losses of \$85 million (2022: \$75 million).

3 Certain amounts related to advances which do not meet the own-use exemption and are thus accounted for as financial instruments, were reclassified from their prior period presentation within 'Non-financial assets' to 'Financial assets at amortised cost'. Other receivables opening balance has been adjusted accordingly.

4 \$10 million recognised as a reversal of impairment (see note 8) and the balancing charge of \$5 million recognised in net expected credit losses. In H1 2022, the net charge of \$28 million was recognised in net expected credit losses.

Glencore has a number of dedicated financing facilities, which finance a portion of its receivables. The receivables have not been derecognised, as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as current borrowings (see note 20). As at 30 June 2023, the total amount of trade receivables pledged was \$10 million (2022: \$278 million) and proceeds received and classified as current borrowings amounted to \$9 million (2022: \$200 million).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

16. Assets and liabilities held for sale

Net assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. As of 30 June 2023, the carrying amounts of assets and liabilities held for sale were lower than their fair value less costs to sell, hence no gains or losses were recognised in the statement of income for the period.

The carrying value of the assets and liabilities classified as held for sale are detailed below:

2023

US\$ million	Viterra	Volcan	Total
Non-current assets			
Property, plant and equipment	–	1,535	1,535
Intangible assets	–	8	8
Investments in associates and joint ventures	3,769	149	3,918
Advances and loans	–	77	77
Deferred tax assets	–	35	35
	3,769	1,804	5,573
Current assets			
Inventories	–	54	54
Accounts receivable	–	61	61
Income tax receivable	–	21	21
Prepaid expenses	–	4	4
Cash and cash equivalents	–	50	50
	–	190	190
Total assets held for sale	3,769	1,994	5,763
Non-current liabilities			
Borrowings	–	(774)	(774)
Deferred tax liabilities	–	(113)	(113)
Provisions	–	(327)	(327)
Deferred income	–	(5)	(5)
	–	(1,219)	(1,219)
Current liabilities			
Borrowings	–	(21)	(21)
Accounts payable	–	(284)	(284)
Provisions	–	(30)	(30)
Income tax payable	–	(13)	(13)
	–	(348)	(348)
Total liabilities held for sale	–	(1,567)	(1,567)
Total net assets held for sale	3,769	427	4,196
Non-controlling interest	–	111	111

VOLCAN

In Q4 2022, Glencore commenced a process exploring the possible disposal of its 23.3% economic interest in Volcan (Industrial activities segment).

VITERRA

In June 2023, Glencore and its fellow shareholders in Viterra Limited, concluded an agreement with Bunge Limited to merge Bunge and Viterra in a cash and stock transaction. Under the terms of the agreement, Glencore will receive 32.8 million Bunge shares (valued at approximately \$3.1 billion as of 30 June 2023) and \$1.0 billion in cash for its c.50% stake in Viterra (Marketing, corporate activities segment) resulting in a c.15% holding in the combined group, basis the number of Bunge shares outstanding at the time. The merger, subject to satisfaction of customary closing conditions, including receipt of regulatory approvals and approval by Bunge shareholders, is expected to close in mid-2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

16. Assets and liabilities held for sale continued

2022

US\$ million	Cobar	Volcan	Total as at 31.12.2022
Non-current assets			
Property, plant and equipment	451	1,467	1,918
Intangible assets	1	4	5
Investments in associates and joint ventures	–	148	148
Advances and loans	–	71	71
Deferred tax assets	–	32	32
	452	1,722	2,174
Current assets			
Inventories	25	57	82
Accounts receivable	4	68	72
Income tax receivable	–	29	29
Prepaid expenses	3	5	8
Cash and cash equivalents	1	74	75
	33	233	266
Total assets held for sale	485	1,955	2,440
Non-current liabilities			
Borrowings	–	(777)	(777)
Deferred tax liabilities	(25)	(151)	(176)
Provisions	(20)	(322)	(342)
Deferred income	–	(6)	(6)
Post-retirement and other employee benefits	(1)	–	(1)
	(46)	(1,256)	(1,302)
Current liabilities			
Borrowings	(1)	(22)	(23)
Accounts payable	(42)	(315)	(357)
Provisions	–	(31)	(31)
Income tax payable	–	(28)	(28)
	(43)	(396)	(439)
Total liabilities held for sale	(89)	(1,652)	(1,741)
Total net assets held for sale	396	303	699
Non-controlling interest	–	201	201

COBAR

In March 2022, Glencore entered into an agreement with Metals Acquisition Corp (MAC) for the disposal of its 100% interest in Cobar (Industrial activities segment), a copper mine in New South Wales, Australia for a mix of cash and other forms of consideration. The transaction closed in June 2023 (see note 24).

VOLCAN

In Q4 2022, Glencore commenced a process exploring the possible disposal of its 23.3% economic interest in Volcan (Industrial activities segment).

17. Share capital and reserves

	Number of ordinary shares (thousand)	Share capital (US\$ million)	Share premium (US\$ million)
Authorised:			
30 June 2023 and 31 December 2022 Ordinary shares with a par value of \$0.01 each	50,000,000		
Issued and fully paid up:			
1 January 2023 and 31 December 2022 – Ordinary shares	14,086,200	141	36,717
Own shares cancelled during the year	(386,200)	(4)	(1,449)
Distributions declared (see note 19)	–	–	(5,600)
30 June 2023 – Ordinary shares	13,700,000	137	29,668

	Treasury Shares		Trust Shares		Total	
	Number of shares (thousand)	Own shares (US\$ million)	Number of shares (thousand)	Own shares (US\$ million)	Number of shares (thousand)	Own shares (US\$ million)
Own shares:						
1 January 2023	1,265,697	(5,560)	55,646	(301)	1,321,343	(5,861)
Own shares purchased during the period	402,341	(2,428)	–	–	402,341	(2,428)
Own shares disposed during the period	–	–	(34,307)	186	(34,307)	186
Own shares cancelled during the year	(386,200)	1,453	–	–	(386,200)	1,453
30 June 2023	1,281,838	(6,535)	21,339	(115)	1,303,177	(6,650)

OWN SHARES

Own shares comprise shares acquired under the Company's share buyback programmes ('Treasury Shares') and shares of Glencore plc held by Group employee benefit trusts ('the Trusts') to satisfy the potential future settlement of the Group's employee stock plans ('Trust Shares').

The Trusts also coordinate the funding and manage the delivery of Trust Shares and free share awards under certain of Glencore's share plans. The Trust Shares have been acquired by either stock market purchases or share issues from the Company. The Trusts may hold an aggregate of Trust Shares up to 5% of the issued share capital of the Company at any one time and are permitted to sell them. The Trusts have waived the right to receive distributions from the Trust Shares that they hold. Costs relating to the administration of the Trusts are expensed in the period in which they are incurred.

In line with the policy to reduce and maintain from time to time treasury shares below 10% of total issued share capital, in February 2023, Glencore cancelled 286 million treasury shares and in June 2023, cancelled 100 million treasury shares.

During the period, Glencore purchased the remaining \$1,080 million of shares under the \$3 billion share buyback programme announced in July 2022 and \$1,348 million of shares under the \$1.5 billion share buyback programme announced in February 2023 to be completed by August 2023. No liability has been recognised in respect of this share buyback programme as the terms of the arrangement do not result in a contractual obligation.

As at 30 June 2023: 1,303,176,766 shares (2022: 1,321,342,547 shares), including 1,281,838,492 (2022: 1,265,696,812) Treasury Shares, equivalent to 9.51% (2022: 9.38%) of the issued share capital, were held at a cost of \$6,650 million (2022: \$5,861 million) and market value of \$7,358 million (2022: \$8,809 million).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

18. Earnings per share

US\$ million	HI 2023	HI 2022
Income attributable to equity holders of the Parent for basic earnings per share	4,568	12,085
Weighted average number of shares for the purposes of basic earnings per share (thousand)	12,563,568	13,125,785
Effect of dilution:		
Equity-settled share-based payments (thousand)	56,648	76,122
Weighted average number of shares for the purposes of diluted earnings per share (thousand)	12,620,216	13,201,907
Basic earnings per share (US\$)	0.36	0.92
Diluted earnings per share (US\$)	0.36	0.92

HEADLINE EARNINGS:

Headline earnings is a Johannesburg Stock Exchange (JSE) defined performance measure. The calculation of basic and diluted earnings per share, based on headline earnings as determined by the requirements of the Circular 1/2023 as issued by the South African Institute of Chartered Accountants (SAICA), is reconciled using the following data:

US\$ million	HI 2023	HI 2022
Income attributable to equity holders of the Parent for basic earnings per share	4,568	12,085
Net (gain)/loss on acquisitions and disposals ¹	(679)	(1,463)
Net (gain)/loss on acquisitions and disposals - non-controlling interest	2	(25)
Net (gain)/loss on acquisitions and disposals – tax	202	115
Impairments/(reversal of impairments) ²	216	(40)
Impairments/(reversal of impairments) – non-controlling interest	(19)	(6)
Impairments/(reversal of impairments) – tax	(7)	–
Headline and diluted earnings for the period	4,283	10,666
Headline earnings per share (US\$)	0.34	0.81
Diluted headline earnings per share (US\$)	0.34	0.81

¹ See note 5.

² Comprises of impairments/(reversals of impairments) of advances and loans (see note 8) and Glencore's share of impairments booked directly by associates (see note 3).

19. Distributions

The first tranche of the 2022 \$0.44 per share (prior year: \$0.26 per share) distribution of \$0.22 per share amounting to \$2,749 million (2022: \$1,707 million) was paid on 1 June 2023, with the second tranche expected to be paid in September 2023 (see note 23).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

20. Borrowings

US\$ million	Notes	as at 30.06.2023	as at 31.12.2022
Non-current borrowings			
Capital market notes		16,443	17,229
Amounts drawn under revolving credit facilities		1,544	–
Lease liabilities		901	934
Other bank loans		593	688
Total non-current borrowings		19,481	18,851
Current borrowings			
Secured inventory/receivables/other facilities	14/15	1,874	3,292
Amounts drawn under revolving credit facilities		150	–
US commercial paper		639	333
Capital market notes		3,463	2,977
Lease liabilities		516	445
Other bank loans		2,539	2,879
Total current borrowings		9,181	9,926
Total borrowings		28,662	28,777

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are those for which cash flows are classified in the Group's consolidated cash flow statement as cash flows from financing activities. The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

H1 2023

US\$ million	Borrowings excluding lease liabilities	Lease liabilities	Total borrowings	Cross currency and interest rate swaps and net margins and distributions ¹	Total liabilities arising from financing activities
1 January 2023	27,398	1,379	28,777	(154)	28,623
Cash related movements²					
Proceeds from issuance of capital market notes	995	–	995	–	995
Repayment of capital market notes	(1,500)	–	(1,500)	–	(1,500)
Proceeds from revolving credit facilities	1,539	–	1,539	–	1,539
Proceeds from other non-current borrowings	14	–	14	–	14
Repayment of other non-current borrowings	(95)	–	(95)	–	(95)
Repayment of lease liabilities	–	(281)	(281)	–	(281)
Margin receipts in respect of financing related hedging activities	–	–	–	258	258
Proceeds from U.S. commercial papers	307	–	307	–	307
Repayment of current borrowings	(1,613)	–	(1,613)	–	(1,613)
Distributions paid to equity holders of the Parent	–	–	–	(2,749)	(2,749)
	(353)	(281)	(634)	(2,491)	(3,125)
Non-cash related movements					
Borrowings acquired in business combinations (see note 24)	6	–	6	–	6
Fair value adjustment to fair value hedged borrowings	1	–	1	–	1
Fair value movement of hedging derivatives	–	–	–	(128)	(128)
Foreign exchange movements	156	(11)	145	–	145
Change in lease liabilities	–	330	330	–	330
Interest on convertible bonds	11	–	11	–	11
Shareholder distribution declared	–	–	–	5,600	5,600
Other movements	26	–	26	–	26
	200	319	519	5,472	5,991
30 June 2023	27,245	1,417	28,662	2,827	31,489

¹ The currency and interest rate swaps are reported on the balance sheet within the headings 'Other financial assets' and 'Other financial liabilities' (see note 25) and margin calls paid/received within accounts receivable/payable (see notes 15 and 23). Distributions relate to declared and unpaid shareholder distributions to equity holders of the Parent (see notes 19 and 23).

² See consolidated statement of cash flows.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

20. Borrowings continued

H1 2022

US\$ million	Borrowings excluding lease liabilities	Lease liabilities	Total borrowings	Cross currency and interest rate swaps and net margins ¹ and distributions ²	Total liabilities arising from financing activities
1 January 2022	33,023	1,618	34,641	23	34,664
Cash related movements³					
Repayment of capital market notes	(1,392)	–	(1,392)	–	(1,392)
Repurchase of capital market notes	(103)	–	(103)	–	(103)
Repayment of revolving credit facilities	(1,863)	–	(1,863)	–	(1,863)
Proceeds from other non-current borrowings	414	–	414	–	414
Repayment of other non-current borrowings	(78)	–	(78)	–	(78)
Repayment of lease liabilities	–	(301)	(301)	–	(301)
Margin payments in respect of financing related hedging activities	–	–	–	(1,389)	(1,389)
Repayment of U.S. commercial papers	(1,150)	–	(1,150)	–	(1,150)
Proceeds from current borrowings	1,910	–	1,910	–	1,910
Distributions paid to equity holders of the Parent	–	–	–	(1,707)	(1,707)
	(2,262)	(301)	(2,563)	(3,096)	(5,659)
Non-cash related movements					
Borrowings (disposed of)/acquired in business combinations ⁴	52	30	82	–	82
Borrowings reclassified to held for sale ⁵	(1)	–	(1)	–	(1)
Fair value adjustment to fair value hedged borrowings	(855)	–	(855)	–	(855)
Fair value movement of hedging derivatives	–	–	–	1,374	1,374
Foreign exchange movements	(693)	(27)	(720)	–	(720)
Change in lease liabilities	–	149	149	–	149
Interest on convertible bonds	11	–	11	–	11
Shareholder distribution declared	–	–	–	3,400	3,400
Other movements	(15)	12	(3)	–	(3)
	(1,501)	164	(1,337)	4,774	3,437
30 June 2022	29,260	1,481	30,741	1,701	32,442

1 The currency and interest rate swaps are reported on the balance sheet within the headings 'Other financial assets' and 'Other financial liabilities' (see note 25) and margin calls paid/received within accounts receivable/payable (see notes 15 and 23).

2 Prior-year balances have been restated to conform with current year presentation of distributions.

3 See consolidated statement of cash flows.

4 See note 24.

5 See note 16.

COMMITTED REVOLVING CREDIT FACILITIES

In April 2023 (effective May 2023), Glencore refinanced its core syndicated revolving credit facilities.

As at 30 June 2023, the facilities comprise:

- \$9,060 million one-year revolving credit facility with a one-year borrower's term-out option (to May 2025); and
- \$3,900 million medium-term revolving credit facility (to May 2028).

As in previous years, these committed unsecured facilities contain no financial covenants, no rating triggers, no material adverse change clauses and no external factor clauses.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

21. Deferred income

US\$ million	Notes	Unfavourable contracts	Prepayments ²	Prepayments at FVTPL ² (see note 25)	Total
1 January 2023		265	1,149	1,193	2,607
Additions		–	1	200	201
Accretion in the year		–	51	–	51
Revenue recognised in the year		(32)	(96)	(764)	(892)
Acquired in business combination	24	–	39	–	39
Effect of foreign currency exchange difference		(6)	–	–	(6)
Other movements		–	62	–	62
30 June 2023		227	1,206	629	2,062
Current		69	115	438	622
Non-current		158	1,091	191	1,440

1 FVTPL – Fair value through profit and loss.

2 \$1,193 million of prepayments that are accounted for as financial instruments were reclassified from their prior period presentation within 'Prepayments' to 'Prepayments at FVTPL'.

UNFAVOURABLE CONTRACTS

In several business combinations, Glencore recognised liabilities related to various assumed contractual agreements to deliver tonnes of coal over various periods ending until 2032 at fixed prices lower than the prevailing market prices on the respective acquisition dates.

These amounts are released to revenue as the underlying commodities are delivered to the buyers over the life of the contracts at rates consistent with the extrapolated forward price curves at the time of the acquisitions.

PREPAYMENTS

Prepayments comprise various short- to long-term product supply agreements whereby an upfront prepayment is received in exchange for the future delivery of a specific product, such as gold, silver or cobalt. The arrangements are accounted for as executory contracts whereby the advance payment is recorded as deferred revenue. Deferred revenue is recognised in the consolidated statement of income as specific products are delivered, at the implied forward price curve at the time of transaction execution together with an accretion expense, representing the time value of the prepayment received.

PREPAYMENTS AT FVTPL

Prepayments at FVTPL comprise various short- to long-term product supply agreements accounted for as financial instruments, whereby an upfront prepayment is received in exchange for the future delivery of a specific product or financial asset. Revenue is recognised in the consolidated statement of income as specific products are delivered or the financial obligation is settled.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

22. Provisions

US\$ million	Notes	Rehabilitation costs	Onerous contracts	Legal investigations	Other provisions	Total
1 January 2023		6,963	530	484	611	8,588
Utilised		(141)	(78)	(484)	(55)	(758)
Released		–	–	–	(19)	(19)
Accretion		59	17	–	4	80
Assumed in business combination	24	19	–	–	–	19
Disposal of subsidiaries	24	(33)	–	–	–	(33)
Additions		170	18	–	62	250
Effect of foreign currency exchange movements		(57)	–	–	9	(48)
30 June 2023		6,980	487	–	612	8,079
Current		460	196	–	249	905
Non-current		6,520	291	–	363	7,174

REHABILITATION COSTS

Rehabilitation provision represents the accrued costs required to provide adequate restoration and rehabilitation upon the completion of production activities. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project's life, which ranges from two to in excess of 50 years with an average for all sites, weighted by closure provision, of some 19 years (2022: 19 years).

ONEROUS CONTRACTS

Onerous contracts represent liabilities related to contractual take or pay commitments for securing coal logistics capacity at fixed prices and quantities higher than the acquisition date forecasted usage and prevailing market price. The provision is released to costs of goods sold as the underlying commitments are incurred.

INVESTIGATIONS BY REGULATORY AND ENFORCEMENT AUTHORITIES

On 24 May 2022, the Group announced that it had resolved the previously disclosed investigations by authorities in the United States, the United Kingdom and Brazil, and during the current period the final amounts in respect of the DOJ investigations were paid.

The Group remains subject to the following ongoing investigations:

- The Office of the Attorney General of Switzerland ('OAG') is investigating Glencore International AG for failure to have the organisational measures in place to prevent alleged corruption.
- The Dutch authorities are conducting a criminal investigation into Glencore International AG related to potential corruption pertaining to the DRC. The scope of the investigation is similar to that of the OAG investigation. The Dutch authorities are coordinating their investigation with the OAG and the Group expects any possible resolution to avoid duplicative penalties for the same conduct.

The timing and outcome of the OAG and Dutch investigations remains uncertain – see note 28.

OTHER PROVISIONS

Other comprises provisions for possible demurrage, mine concession and construction-related claims, a royalty indemnification related to the disposal of the Ernest Henry operations (see note 24) and various other individually immaterial legal matters. This balance comprises no individually material provisions.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

23. Accounts payable

US\$ million	Notes	as at 30.06.2023	as at 31.12.2022
Financial liabilities at amortised cost			
Trade payables		8,627	11,044
Margin calls received and other broker balances		935	112
Associated companies		756	903
Shareholder distribution payable	19	2,851	–
Other payables and accrued liabilities		760	644
		13,929	12,703
Financial liabilities at fair value through profit and loss			
Trade payables containing provisional pricing features	25	13,226	14,079
Other payables ¹	25	793	484
		14,019	14,563
Non-financial liabilities			
Advances settled in product ¹		175	294
Other payables and accrued liabilities ²		1,530	1,839
Other tax and related payables		288	327
		1,993	2,460
Total		29,941	29,726

1 \$382 million related to advances accounted for as financial instruments were reclassified from their prior period presentation within 'Non-financial liabilities' to 'Financial liabilities at fair value through profit and loss'.

2 Primarily comprised of employee benefit accruals.

As at 30 June 2023, trade payables include \$5,941 million (2022: \$7,504 million) of liabilities arising from supplier financing arrangements, the weighted average of which have extended the settlement of the original payable to 73 days (2022: 67 days) after physical supply and are due for settlement 32 days (2022: 35 days) after period end.

24. Acquisition and disposal of subsidiaries and other entities

2023 ACQUISITIONS

In 2023, Glencore acquired the remaining 75% interest in Noranda Income Fund that it did not already own, and various other businesses, none of which are individually material. The fair values are provisional pending final valuations expected to be finalised within 12 months of the acquisitions. It is expected that adjustments could be made to the allocation of value between acquired plant and equipment, inventories, deferred taxes and provisions.

The net cash used in the acquisition of subsidiaries and the provisional fair value of assets acquired and liabilities assumed on the acquisition date are detailed below:

US\$ million	Noranda Income Fund
Non-current assets	
Property, plant and equipment	64
Deferred tax assets	33
	97
Current assets	
Inventories	213
Accounts receivable ¹	14
Other financial asset	23
Cash and cash equivalents	5
	255
Non-current liabilities	
Non-current deferred income	(34)
Non-current provisions	(18)
	(52)
Current liabilities	
Borrowings	(6)
Accounts payable	(66)
Deferred income	(5)
Provisions	(1)
	(78)
Total fair value of net assets acquired	222
Less: amounts previously recognised as investments	(18)
Cash and cash equivalents acquired	(5)
Net cash used in acquisition of subsidiaries	199

¹ There is no material difference between the gross contractual amounts for accounts receivable and their fair value.

Noranda Income Fund

In March 2023, Glencore completed the acquisition of the remaining 75% interest in Noranda Income Fund, an electrolytic zinc processing facility and ancillary assets located in Salaberry-de-Valleyfield, Quebec, that it did not previously own for \$54 million and settled outstanding debt of \$150 million. As Glencore holds 100% of the voting shares, providing it the ability to control the key strategic, operating and capital decisions of the business, it is required to account for the acquisition using the full consolidation method in accordance with IFRS 10.

Prior to the acquisition, Glencore owned a 25% interest in Noranda Income Fund which was accounted for as an associate. In accordance with IFRS 3 *Business Combinations*, the equity interest is required to be revalued, at the date of acquisition, to its fair value with any resulting gain or loss recognised in the statement of income. On the date of acquisition, the fair value of 100% of the net assets acquired was determined to be \$222 million and as a result, a gain of \$18 million was recognised on the revaluation of the original 25% equity interest.

If the acquisition had taken place effective 1 January 2023, the operation would have contributed additional revenue of \$207 million and additional attributable profit after tax of \$3 million. From the date of acquisition, the operation contributed \$181 million of revenue and \$27 million of attributable profit after tax for the period ended 30 June 2023.

24. Acquisition and disposal of subsidiaries and other entities continued

2022 ACQUISITIONS

In 2022, Glencore acquired the remaining 66.67% interest in Cerrejón that it did not already own, and various other businesses, none of which are individually material. The acquisition accounting for Cerrejón has now been finalised, with no adjustments to the previously reported provisional fair values.

The net cash acquired/(used) in the acquisition of subsidiaries and the fair value of assets acquired and liabilities assumed on the acquisition date are detailed below:

US\$ million	Cerrejón	Other	Total
Non-current assets			
Property, plant and equipment	2,470	333	2,803
	2,470	333	2,803
Current assets			
Inventories	315	51	366
Accounts receivable ¹	312	13	325
Cash and cash equivalents	511	5	516
	1,138	69	1,207
Non-current liabilities			
Non-current borrowings	(13)	–	(13)
Deferred tax liabilities	(278)	(50)	(328)
Provisions	(1,033)	(8)	(1,041)
	(1,324)	(58)	(1,382)
Current liabilities			
Borrowings	(17)	(52)	(69)
Accounts payable	(232)	(70)	(302)
Provisions	(30)	–	(30)
Income tax payable	(309)	–	(309)
	(588)	(122)	(710)
Total fair value of net assets acquired	1,696	222	1,918
Cash and cash equivalents paid	(100)	(95)	(195)
Less: amounts previously recognised as investments	(567)	(31)	(598)
Gain on bargain purchase of subsidiaries	1,029	96	1,125
Cash and cash equivalents paid	(100)	(95)	(195)
Cash and cash equivalents acquired	511	5	516
Net cash acquired/(used) in acquisition of subsidiaries	411	(90)	321

¹ There is no material difference between the gross contractual amounts for accounts receivable and their fair value.

Cerrejón

On 11 January 2022, Glencore completed the acquisition of the remaining 66.67% interest in Cerrejón, a coal mine in Colombia, that it did not own. The purchase price consideration of \$588 million was based on an economic effective date of 31 December 2020. After taking into account the dividends generated during 2021, together with certain other adjustments, the completion cash payment made by Glencore amounted to \$100 million. As Glencore holds 100% of the voting shares, providing it the ability to control the key strategic, operating and capital decisions of the business, it is required to account for Cerrejón using the full consolidation method in accordance with IFRS 10.

Prior to the acquisition, Glencore owned a 33.33% interest in Cerrejón which was accounted for as an associate. In accordance with IFRS 3 *Business Combinations*, the equity interest is required to be revalued, at the date of acquisition, to its fair value with any resulting gain or loss recognised in the statement of income. On the date of acquisition, the fair value of 100% of the net assets acquired was determined to be \$1,696 million, a value broadly consistent with the carrying value of the initial 33.33% equity interest and as a result, no gain or loss was recognised on the revaluation of the original equity interest.

The valuation was determined using a bottom-up approach to identify the fair value of the specific assets and liabilities within the Cerrejón Group, with the mineral reserves being valued using a discounted cash-flow method that assumes life of mine saleable coal production of 223 million tonnes over the period 2022-2032, at a long-term CIF price of \$67/t, adjusted as appropriate for coal quality, applying a discount rate of 8.56%.

24. Acquisition and disposal of subsidiaries and other entities continued

As the assessed fair value of \$1,696 million was in excess of the completion cash payment and the fair value of the previously held investment, a bargain purchase gain on acquisition of \$1,029 million was recognised in the consolidated statement of income. Glencore assessed that all identifiable assets and liabilities had been included in the valuation prior to recognising the gain as noted above. The gain effectively represents the discount that the selling joint venture partners were willing to accept in order to achieve timely execution of their respective decarbonisation strategies. The immediate near-term valuation was also supported by the net \$411 million of unencumbered cash assumed on completion, benefitting from the transaction effective date of 31 December 2020.

From the date of acquisition, the operation contributed \$5,393 million of revenue and \$2,909 million of attributable income (including the bargain purchase gain) for the period ended 31 December 2022.

Other

From the date of acquisition, the other operations contributed \$223 million of revenue and \$241 million of attributable income (including the bargain purchase gain) for the period ended 31 December 2022.

2023 DISPOSALS

During the period, Glencore disposed of the below businesses within the Industrial activities segment. The carrying value of the assets and liabilities over which control was lost and consideration receivable from the disposals are detailed below.

US\$ million	Cobar ¹	Other	Total
Non-current assets			
Property, plant and equipment	499	17	516
Intangible assets	1	12	13
Advances and loans	–	6	6
	500	35	535
Current assets			
Inventories	25	–	25
Accounts receivable	3	–	3
Income tax receivable	4	–	4
Prepaid expenses	1	1	2
	33	1	34
Non-current liabilities			
Deferred tax liabilities	(25)	–	(25)
Non-current provisions	(44)	(32)	(76)
Post-retirement and other employee benefits	(1)	–	(1)
	(70)	(32)	(102)
Current liabilities			
Borrowings	(8)	–	(8)
Accounts payable	(31)	(3)	(34)
Provisions	–	(1)	(1)
	(39)	(4)	(43)
Carrying value of net assets disposed	424	–	424
Cash and cash equivalents received	(761)	(9)	(770)
Retained interest recognised as investment in associate (MAC)	(100)	–	(100)
Deferred interest bearing consideration	(75)	–	(75)
Contingent future considerations	(64)	–	(64)
NSR royalty	(21)	–	(21)
Net gain on disposal	(597)	(9)	(606)
Net cash received on disposal	761	9	770

¹ As at 31 December 2022, total assets and liabilities were presented as current assets and liabilities "held for sale" (see note 16).

Cobar

In June 2023, Glencore disposed of its 100% interest in the CSA Copper mine, located near Cobar, New South Wales, to Metals Acquisition Corp (MAC). As consideration, Glencore received:

- \$761 million in cash, after closing adjustments;
- \$100 million in shares of MAC (20.7% underlying interest);
- \$75 million deferred interest bearing consideration to be settled within 12 months;
- \$75 million contingent future consideration when daily copper prices average >US\$4.25/lb for 18 continuous months over the life of mine;
- \$75 million contingent future consideration when daily copper prices average >US\$4.50/lb for 24 continuous months over the life of mine; and
- \$21 million, being the current discounted value of a 1.5% life of mine Net Smelter Return (NSR) royalty.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

24. Acquisition and disposal of subsidiaries and other entities continued

The fair value of the deferred interest bearing consideration was determined to be \$75 million using a discounted cash flow model of the projected amount and timing of receipts, using an asset specific discount rate of 12.5%. The contractual terms of the deferred consideration give rise to cash flows that are not solely payments of principal and interest as the margin between 8 and 12% is dependent on the quarterly copper price and thus is accounted for as a financial asset at fair value through profit and loss.

The combined fair value of the two contingent future consideration amounts was determined to be \$64 million. As the nature of the deferred future consideration is analogous to a financial option, the fair value was determined using a Monte Carlo option pricing methodology which incorporated a copper spot price of \$8,110/mt, a volatility factor of 19.3%, a life of mine period of 8.6 years and a discount rate that ranged between 5.9 and 11.5%.

The fair value of the 1.5% NSR royalty over the life of the mine was determined to be \$21 million, using a discounted cash flow model of the forecast royalty payments, discounted using an asset specific discount rate of 8.5%.

2022 DISPOSALS

The carrying value of the assets and liabilities over which control was lost and consideration receivable from the 2022 disposals are detailed below:

US\$ million	Ernest Henry	Bolivia Zinc	E&P Chad	Access World	Los Quenuales	Other	Total
Non-current assets							
Property, plant and equipment	311	163	247	206	126	121	1,174
Intangible assets	–	2	–	11	–	–	13
Investments in associates	–	–	–	10	–	–	10
Advances and loans	–	43	–	9	2	–	54
Deferred tax assets	16	13	–	4	21	–	54
	327	221	247	240	149	121	1,305
Current assets							
Inventories	16	97	21	–	5	6	145
Accounts receivable	24	90	19	159	9	19	320
Prepaid expenses	–	–	–	12	–	1	13
Cash and cash equivalents	1	17	5	42	7	3	75
	41	204	45	213	21	29	553
Non-controlling interest	–	–	–	(2)	(2)	(24)	(28)
Non-current liabilities							
Non-current borrowings	–	(8)	–	(110)	(1)	–	(119)
Deferred income	(138)	–	–	–	–	–	(138)
Deferred tax liabilities	–	(4)	(3)	(1)	–	(3)	(11)
Non-current provisions	(74)	(26)	(86)	(3)	(97)	(59)	(345)
Post-retirement and other employee benefits	(1)	(16)	–	(1)	–	–	(18)
	(213)	(54)	(89)	(115)	(98)	(62)	(631)
Current liabilities							
Borrowings	–	(2)	–	(19)	(1)	–	(22)
Accounts payable	(30)	(139)	(7)	(154)	(23)	(19)	(372)
Provisions	(38)	(44)	–	(3)	(9)	(2)	(96)
Income tax payable	–	(13)	–	(4)	–	–	(17)
	(68)	(198)	(7)	(180)	(33)	(21)	(507)
Carrying value of net assets disposed	87	173	196	156	37	43	692
Cash and cash equivalents (received)/paid	(585)	–	(17)	(40)	10	(30)	(662)
Items recycled to the statement of income	–	–	–	22	1	27	50
Reclassified to investment in associate	–	–	–	–	–	(17)	(17)
Royalty indemnification ¹	125	–	–	–	–	–	125
Streaming settlement	–	–	–	–	132	–	132
Future consideration	(139)	(69)	(145)	(115)	–	(3)	(471)
Net (gain)/loss on disposal	(512)	104	34	23	180	20	(151)
Cash and cash equivalents received/(paid)	585	–	17	40	(142)	30	530
Less: cash and cash equivalents disposed	(1)	(17)	(5)	(42)	(7)	(3)	(75)
Net cash received/(used) in disposal	584	(17)	12	(2)	(149)	27	455

¹ See note 22.

24. Acquisition and disposal of subsidiaries and other entities continued**Ernest Henry**

In January 2022, Glencore disposed of its 70% interest in Ernest Henry Mining Pty Ltd, a copper-gold mine in Queensland, Australia. After closing adjustments, \$585 million was received with \$139 million receivable in January 2023. The contractual terms of the deferred consideration give rise to cash flows that are solely payments of principal and interest, therefore the receivable is accounted for as financial asset at amortised cost. A \$125 million provision was recognised for the indemnification of future royalty payments under an existing agreement.

Bolivia Zinc

In March 2022, Glencore disposed of its 100% interest in the Bolivian zinc assets (Sinchi Wayra and Illapa), to Santacruz Silver Mining Ltd. After closing adjustments, \$90 million is receivable over a four-year period and a 1.5% NSR royalty over the life of the mines. The fair value of the future consideration was determined to be \$69 million using a discounted cash flow model of the projected amount and timing of receipts, discounted using an asset specific discount rate of 11%. The contractual terms of the deferred consideration give rise to cash flows that are solely payments of principal and interest, therefore the receivable is accounted for as financial asset at amortised cost.

E&P Chad

In June 2022, Glencore disposed of its Chad upstream oil operations to Perenco S.A. for \$197 million, of which \$17 million was due on closing and \$180 million is due through a price and production participation arrangement payable annually. The fair value of the future consideration was determined to be \$145 million using a discounted cash flow model of the projected amount and timing of receipts, discounted using an asset specific discount rate of 13%. The contractual terms of the deferred consideration give rise to cash flows that are solely payments of principal and interest, therefore the receivable is accounted for as financial asset at amortised cost.

Access World

In December 2022, Glencore disposed of its 100% interest in the Access World Group, a global commodities storage and logistics group, for \$180 million. \$40 million was received in December and, after closing adjustments, \$115 million is receivable over 2023. The contractual terms of the deferred consideration give rise to cash flows that are solely payments of principal and interest, therefore the receivable is accounted for as financial asset at amortised cost.

Los Quenuales

In December 2022, Glencore disposed of its 100% interest in Los Quenuales, a zinc-lead-silver mine in Peru, to Alpayana S.A for \$10 million in cash. Conditional on completion of the transaction, Glencore earlier settled its silver streaming arrangement over one of Los Quenuales' mining properties with Wheaton Precious Metals for a payment of \$132 million.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

25. Financial instruments

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying values and fair values of Glencore's financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are not available, fair values have been calculated by discounting expected cash flows at prevailing market interest and exchange rates. The estimated fair values have been determined using market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that Glencore could realise in the normal course of business.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate the fair values with the exception of \$27,245 million (2022: \$27,398 million) of borrowings, the fair value of which at 30 June 2023 was \$26,698 million (2022: \$26,675 million). \$7,251 million (2022: \$6,918 million) represents the listed portion of the borrowings portfolio, based on quoted prices on active markets (a Level 1 fair value measurement), and \$19,447 million (2022: \$19,757 million) is based on observable market prices (a Level 2 fair value measurement).

As at 30 June 2023	Amortised			
US\$ million	cost	FVTPL ¹	FVTOCI ²	Total
Assets				
Other investments	–	4	467	471
Non-current other financial assets	–	146	–	146
Advances and loans	1,168	422	–	1,590
Accounts receivable	10,486	4,835	–	15,321
Other financial assets	–	4,783	–	4,783
Cash and cash equivalents	1,863	–	–	1,863
Total financial assets	13,517	10,190	467	24,174
Liabilities				
Borrowings	28,662	–	–	28,662
Non-current other financial liabilities	–	1,878	–	1,878
Accounts payable	13,929	14,019	–	27,948
Deferred income	–	629	–	629
Other financial liabilities	–	2,447	–	2,447
Total financial liabilities	42,591	18,973	–	61,564

As at 31 December 2022	Amortised			
US\$ million	cost	FVTPL ¹	FVTOCI ²	Total
Assets				
Other investments	–	37	419	456
Non-current other financial assets	–	206	–	206
Advances and loans ³	1,000	337	–	1,337
Accounts receivable ³	16,692	6,147	–	22,839
Other financial assets	–	6,109	–	6,109
Cash and cash equivalents	1,923	–	–	1,923
Total financial assets	19,615	12,836	419	32,870
Liabilities				
Borrowings	28,777	–	–	28,777
Non-current other financial liabilities	14	2,041	–	2,055
Accounts payable ³	12,703	14,563	–	27,266
Deferred income ³	–	1,193	–	1,193
Other financial liabilities	–	4,882	–	4,882
Total financial liabilities	41,494	22,679	–	64,173

1 FVTPL – Fair value through profit and loss.

2 FVTOCI – Fair value through other comprehensive income.

3 Certain amounts related to advances that are accounted for as financial instruments were reclassified from their prior period presentation. See notes 13, 15, 21 and 23.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

25. Financial instruments continued

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

In accordance with IAS 32 the Group reports financial assets and liabilities on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 30 June 2023 and 31 December 2022 were as follows:

As at 30 June 2023 US\$ million	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements			Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount		
Derivative assets ¹	4,990	(2,742)	2,248	(542)	(873)	833	2,681	4,929
Derivative liabilities ¹	(5,169)	2,742	(2,427)	542	1,490	(395)	(1,898)	(4,325)

¹ Presented within current and non-current other financial assets and other financial liabilities.

As at 31 December 2022 US\$ million	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements			Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount		
Derivative assets ¹	3,422	(2,141)	1,281	(608)	(26)	647	5,034	6,315
Derivative liabilities ¹	(5,929)	2,141	(3,788)	608	2,638	(542)	(3,149)	(6,937)

¹ Presented within current and non-current other financial assets and other financial liabilities.

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities in the ordinary course of business. Where practical reasons may prevent net settlement, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. Per the terms of each agreement, an event of default includes failure by a party to make payment when due, failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party or bankruptcy.

26. Fair value measurements

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. Glencore classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Glencore can assess at the measurement date; or
- Level 2 Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 Unobservable inputs for the assets or liabilities, requiring Glencore to make market-based assumptions.

Level 1 classifications primarily include futures with a tenor of less than one year and options that are exchange traded, whereas Level 2 classifications primarily include futures with a tenor greater than one year, over the counter options, swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominantly from models that use broker quotes and applicable market-based estimates surrounding location, quality and credit differentials and financial liabilities linked to the fair value of certain mining operations. In circumstances where Glencore cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is Glencore's policy that transactions and activities in trade-related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

The following tables show the fair values of the derivative financial instruments including trade related financial and physical forward purchase and sale commitments by type of contract and non-current other financial assets and liabilities as at 30 June 2023 and 31 December 2022. Other assets and liabilities which are measured at fair value on a recurring basis are marketing inventories, other investments, cash and cash equivalents. There are no non-recurring fair value measurements.

FINANCIAL ASSETS

As at 30 June 2023

US\$ million	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables	–	4,179	–	4,179
Prepaid commodity forward contracts	–	518	–	518
Contingent consideration	–	75	55	130
Other receivables	–	–	8	8
Non-current prepaid commodity forward contracts	–	195	–	195
Other non-current receivables and loans	–	–	23	23
Convertible loan	–	–	185	185
Non-current contingent consideration	–	–	19	19
Other investments	298	173	–	471
Financial assets	298	5,140	290	5,728
Other financial assets				
Commodity-related contracts				
Futures	986	846	–	1,832
Options	25	5	64	94
Swaps	46	310	10	366
Physical forwards	–	843	1,618	2,461
Financial contracts				
Foreign currency and interest rate contracts	–	30	–	30
Current other financial assets	1,057	2,034	1,692	4,783
Non-current other financial assets				
Cross currency swaps	–	45	–	45
Purchased call options over Glencore shares ¹	–	101	–	101
Non-current other financial assets	–	146	–	146
Total	1,355	7,320	1,982	10,657

As at 31 December 2022

US\$ million	Level 1	Level 2	Level 3	Total
Financial assets				
Trade receivables	–	5,426	–	5,426
Prepaid commodity forward contracts ²	–	520	–	520
Contingent consideration	–	–	128	128
Other receivables	–	–	73	73
Non-current prepaid commodity forward contracts ²	–	44	–	44
Other non-current receivables and loans	–	–	22	22
Convertible loan	–	–	168	168
Non-current contingent consideration	–	–	103	103
Other investments	280	176	–	456
Financial assets	280	6,166	494	6,940
Other financial assets				
Commodity-related contracts				
Futures	809	156	–	965
Options	120	4	–	124
Swaps	40	165	18	223
Physical forwards	–	1,786	2,949	4,735
Financial contracts				
Foreign currency and interest rate contracts	–	62	–	62
Current other financial assets	969	2,173	2,967	6,109
Non-current other financial assets				
Cross currency swaps	–	24	–	24
Foreign currency and interest rate contracts	–	1	–	1
Purchased call options over Glencore shares ¹	–	181	–	181
Non-current other financial assets	–	206	–	206
Total	1,249	8,545	3,461	13,255

1 Call options over the Company's shares in relation to conversion rights of the \$625 million non-dilutive convertible bond, due in 2025.

2 Certain amounts related to advances that are accounted for as financial instruments were reclassified from their prior period presentation within 'Non-financial assets' to 'Financial assets at fair value through profit and loss'. See notes 13 and 15.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

FINANCIAL LIABILITIES

As at 30 June 2023

US\$ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Trade payables	–	13,226	–	13,226
Other payables	–	700	–	700
Non-discretionary dividend obligation ¹	–	–	93	93
Financial liabilities	–	13,926	93	14,019
Other financial liabilities				
Commodity-related contracts				
Futures	433	213	–	646
Options	28	29	–	57
Swaps	–	82	1	83
Physical forwards	–	1,339	110	1,449
Financial contracts				
Cross currency swaps	–	152	–	152
Foreign currency and interest rate contracts	–	60	–	60
Current other financial liabilities	461	1,875	111	2,447
Non-current other financial liabilities				
Cross currency swaps	–	933	–	933
Foreign currency and interest rate contracts	–	522	–	522
Non-discretionary dividend obligation ¹	–	–	250	250
Contingent consideration	–	–	73	73
Embedded call options over Glencore shares ²	–	100	–	100
Non-current other financial liabilities	–	1,555	323	1,878
Deferred income				
Current deferred income	–	438	–	438
Non-current deferred income	–	191	–	191
Deferred income	–	629	–	629
Total	461	17,985	527	18,973

1 A ZAR denominated derivative liability payable to ARM Coal, a partner in one of the Group's principal coal joint operations based in South Africa. The liability arises from ARM Coal's rights as an investor to a share of agreed free cash flows from certain coal operations in South Africa and is valued based on those cash flows using a risk-adjusted discount rate. The derivative liability is settled over the life of those operations with a modelled mine life of 13 years as at 30 June 2023.

2 Embedded call option bifurcated from the 2025 convertible bond.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

As at 31 December 2022

US\$ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Trade payables	–	14,079	–	14,079
Other payables ¹	–	382	–	382
Non-discretionary dividend obligation ²	–	–	102	102
Financial liabilities	–	14,461	102	14,563
Other financial liabilities				
Commodity-related contracts				
Futures	714	459	–	1,173
Options	32	119	–	151
Swaps	–	660	–	660
Physical forwards	–	2,498	113	2,611
Financial contracts				
Cross currency swaps	–	181	–	181
Foreign currency and interest rate contracts	1	105	–	106
Current other financial liabilities	747	4,022	113	4,882
Non-current other financial liabilities				
Cross currency swaps	–	1,055	–	1,055
Foreign currency and interest rate contracts	–	490	–	490
Non-discretionary dividend obligation ²	–	–	219	219
Option over non-controlling interest in Ale	–	–	22	22
Contingent consideration	–	–	74	74
Embedded call options over Glencore shares ³	–	181	–	181
Non-current other financial liabilities	–	1,726	315	2,041
Deferred income				
Current deferred income ¹	–	899	–	899
Non-current deferred income ¹	–	294	–	294
Deferred income	–	1,193	–	1,193
Total	747	21,402	530	22,679

1 Certain amounts related to advances that are accounted for as financial instruments were reclassified from their prior period presentation. See notes 21 and 23.

2 A ZAR denominated derivative liability payable to ARM Coal, a partner in one of the Group's principal coal joint operations based in South Africa. The liability arises from ARM Coal's rights as an investor to a share of agreed free cash flows from certain coal operations in South Africa and is valued based on those cash flows using a risk-adjusted discount rate. The derivative liability is settled over the life of those operations with a modelled mine life of 13 years as at 31 December 2022.

3 Embedded call option bifurcated from the 2025 convertible bond.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

The following table shows the net changes in fair value of Level 3 other financial assets and other financial liabilities:

US\$ million	Contingent consideration	Convertible loan	Physical forwards	Options	Swaps	Other ¹	Total Level 3
1 January 2023	157	168	2,836	–	18	(248)	2,931
Total gain recognised in revenue	–	–	(9)	–	41	–	32
Total gain/(loss) recognised in cost of goods sold	–	–	(1,112)	–	(44)	–	(1,156)
Acquisition	–	–	–	64	–	–	64
Fair value recognised in other income/(expense)	(32)	17	–	–	–	9	(6)
Realised	(124)	–	(207)	–	(6)	(73)	(410)
30 June 2023	1	185	1,508	64	9	(312)	1,455
1 January 2022	261	–	411	–	40	(63)	649
Total gain recognised in revenue	–	–	(110)	–	55	–	(55)
Total gain/(loss) recognised in cost of goods sold	–	–	2,555	–	(58)	–	2,497
Acquisition	–	200	–	–	–	–	200
Fair value recognised in other income/(expense)	23	–	–	–	–	(4)	19
Realised	(157)	–	(219)	–	(11)	3	(384)
30 June 2022	127	200	2,637	–	26	(64)	2,926

¹ Certain prior year balances have been restated to conform with current year presentation of financial assets.

During the period, no amounts were transferred between Level 1 and Level 2 of the fair value hierarchy and no amounts were transferred into or out of Level 3 of the fair value hierarchy for either other financial assets or other financial liabilities.

FAIR VALUE OF FINANCIAL ASSETS / FINANCIAL LIABILITIES

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period.

Futures, options and swaps classified as Level 1 financial assets and liabilities are measured using quoted prices in an active market.

Accounts receivable and payables, and certain futures, options, swaps, physical forwards, cross currency swaps, foreign currency and interest rate contracts, classified as Level 2 financial assets and liabilities are measured using discounted cash flow models. Key inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.

Call options over Glencore shares classified as Level 2 financial assets and liabilities are measured using an option pricing model. Key inputs include the current price of Glencore shares, strike price, maturity date of the underlying convertible debt security, risk-free rate and volatility.

Given the extent to which the Group recognises financial instrument assets and liabilities at fair value, the preparation of the Group's consolidated financial statements requires management to consider on an on-going basis, the key valuation metrics and judgements involved in the determination of the fair value of financial instruments. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement.

Management reviewed the key valuation metrics, assumptions and methodologies involved in the determination of the Level 3 fair value of financial instruments and determined that the valuations were materially reasonable.

The following table provides information on the valuation techniques and inputs used to determine the fair value of Level 3 financial assets and financial liabilities.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

US\$ million		As at	As at
		30.06.2023	31.12.2022
Contingent consideration and Other Receivables (Mototolo)		Assets	74
		Liabilities	231
Valuation techniques and key inputs:	Discounted cash flow model		
Significant and other unobservable inputs:	– Long-term forecast commodity prices; and – Discount rates using weighted average cost of capital methodology; The significant unobservable inputs represent the long-term forecast commodity prices to which the valuation remains sensitive to. A 10% increase/decrease in commodity price assumptions would result in a \$9 million (2022: \$19 million) adjustment to the current carrying value.		
Other receivables and non-current receivables and loans		Assets	31
		Liabilities	95
Valuation techniques and key inputs:	Discounted cash flow model		
Significant and other unobservable inputs:	– Discount rates specific to the operation; and – Underlying business plans and forecasts. The valuation remains sensitive to repayment cash flows dependent upon the underlying business plans and forecasts. A one-year delay in the underlying cash flows would result in a \$1 million (2022: \$19 million) reduction to the current carrying value of the asset while bringing forward repayments by one-year would result in a \$3 million (2022: \$11 million) increase.		
Convertible loan (Li-Cycle)		Assets	185
		Liabilities	168
Valuation techniques and key inputs:	Discounted cash flow and option pricing model		
Significant and other unobservable inputs:	– Share price; and – Risk-free rate and volatility. The valuation remains sensitive to the share price and a 10% increase/decrease in share price assumptions would result in an \$8 million (2022: \$6 million) adjustment to the current carrying value.		
Options (Cobar)		Assets	64
		Liabilities	–
Valuation techniques and key inputs:	Discounted Monte Carlo option pricing simulation		
Significant unobservable inputs:	– Estimated production plans; and – Forecast commodity prices The contingent future consideration valuation remains sensitive to production volumes and an 8 year increase in the life of mine assumptions would result in an \$5 million increase to the current carrying value.		
Swaps		Assets	10
		Liabilities	(1)
Valuation techniques and key inputs:	Discounted cash flow model		
Significant and other unobservable inputs:	– Long term commodity prices The significant unobservable inputs represent the long-term commodity prices to which the valuation remains sensitive to. A 10% increase/decrease in commodity price assumptions would result in a \$1 million (2022: \$2 million) adjustment to the current carrying value.		
Option over non-controlling interest (AleSat)		Assets	–
		Liabilities	(22)
Valuation techniques and key inputs:	Discounted cash flow model		
Significant unobservable inputs:	The 31 December 2022 balance is the value of the remaining minority stake in the subsidiary, measured as the higher value of the acquisition date valuation of the shares, and a discounted future earnings based valuation. The valuation was additionally sensitive to movement in the spot exchange rates between the Brazilian real and US dollar. The non-controlling interest was acquired during the current period.		
Contingent consideration		Assets	–
		Liabilities	(73)
Valuation techniques and key inputs:	Discounted cash flow models		
Significant and other unobservable inputs:	– Estimated production plans; – Forecast commodity prices; and – Discount rates using weighted average cost of capital methodology. The resultant liability was mainly determined using forecast production estimates and assumed actual coal prices higher than a royalty trigger price. Should production volumes increase/decrease by 10% the value of the liability would increase/decrease by \$6 million (2022: \$7 million) and for any given quarter, should commodity prices be lower than the royalty trigger, no amounts would be due under the price contingent royalty arrangement.		

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

26. Fair value measurements continued

US\$ million		As at	As at 31.12.2022
		30.06.2023	
Physical Forwards		Assets	1,618
		Liabilities	(110)
Valuation techniques and key inputs: Significant and other unobservable inputs:	Discounted cash flow model Valuation of the Group's commodity physical forward contracts categorised within this level is based on observable market prices that are adjusted by unobservable differentials, as required, including: – Quality; – Geographic location; – Local supply & demand; – Customer requirements; and – Counterparty credit considerations. These unobservable inputs generally represent 1%–30% of the overall value of the instruments. The valuation prices are applied consistently to value physical forward sale and purchase contracts, and changing a particular input to reasonably possible alternative assumptions does not result in a material change in the underlying value of the portfolio. As at 30 June 2023, physical forward Level 3 assets relating to LNG contracts amount to \$1,418 million (2022: \$2,552 million) and liabilities of \$38 million (2022: \$19 million). Valuation of these contracts is based on observable Oil and Global Gas prices that are adjusted by unobservable differentials which collectively represent, but are not limited to, transportation, storage, liquification and regasification premiums. The value of our Level 3 long term LNG physical supply contracts reflects the price dislocation between Europe and other international markets and uncertainty of pricing inputs beyond the observable range. There is limited observable LNG pricing data beyond 2026 and an estimation uncertainty exists over global gas supply and demand and the extent to which the current dislocation impacts long term LNG pricing. For the longer dated portion of the curve, complex modelling techniques are also required where there is limited observable market data. Extrapolation of observable pricing is applied and correlated to third party long-term forecast macro pricing assumptions for various Oil and Global Gas indices, on which the long-term LNG prices are based. Given the resulting inherent estimation uncertainty, reasonable valuation ranges are developed to reflect the expected transfer value of these arrangements to another market participant in accordance with IFRS 13. The Group considers the risks associated with realising market value from unobservable long term prices in selecting pricing from within those ranges. The potential impact of a 10% favourable and unfavourable change in the unobservable valuation inputs could result in a gain of \$86 million and loss of \$86 million (2022: a gain of \$0.1 billion and loss of \$0.1 billion), respectively, both of which would be reflected in the consolidated statement of income.		2,949
			(113)
Non-discretionary dividend obligation (ARM Coal)		Assets	–
		Liabilities	(343)
Valuation techniques: Significant and other unobservable inputs:	Discounted cash flow model – Long-term forecast commodity prices; – Discount rates using weighted average cost of capital methodology; – Production models; – Operating costs; and – Capital expenditures. The resultant liability is essentially a discounted cash flow valuation of the underlying mining operation. Increases/decreases in forecast commodity prices will result in an increase/decrease to the value of the liability though this will be partially offset by associated increases/decreases in the assumed production levels, operating costs and capital expenditures, which are inherently linked to forecast commodity prices. The significant unobservable inputs represent the long-term forecast commodity prices to which the valuation remains sensitive to. A 10% increase/decrease in commodity price assumptions would result in an \$97 million (2022: \$108 million) adjustment to the current carrying value.		(321)

27. Future commitments

Capital expenditure for the acquisition of property, plant and equipment is generally funded through the cash flow generated by the respective industrial entities. As at 30 June 2023, \$1,519 million (2022: \$1,295 million), of which 94% (2022: 94%) relates to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment.

Certain of Glencore's exploration tenements and licences require it to spend a minimum amount per year on development activities, a significant portion of which would have been incurred in the ordinary course of operations. As at 30 June 2023, \$143 million (2022: \$118 million) of such development expenditures are to be incurred, of which 36% (2022: 20%) are for commitments to be settled over the next year.

As part of Glencore's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or b) the guarantor by way of issuing a bank guarantee accepting responsibility for Glencore's contractual obligations. Similarly, Glencore is required to post rehabilitation and pension guarantees in respect of some of these future, primarily industrial, long-term obligations. As at 30 June 2023, \$7,228 million (2022: \$7,965 million) of procurement and \$4,419 million (2022: \$4,256 million) of rehabilitation and pension commitments have been issued on behalf of Glencore, which will generally be settled simultaneously with the payment for such commodity and rehabilitation and pension obligations.

ASTRON RELATED COMMITMENTS

As part of the regulatory approval process relating to the acquisition of a 75% shareholding in Astron Energy, Glencore and Astron Energy entered into certain commitments (subject to variation for good cause) with the South Africa Competition Tribunal and the South African Economic Development Department. These commitments include investment expenditure of up to ZAR 6.5 billion (\$347 million) over the period to 2024 so as to debottleneck and improve the performance of the Cape Town oil refinery, contribute to the rebranding of certain retail sites and establish a development fund to support small and black-owned businesses in Astron Energy's value chain.

MINERACAO RIO DO NORTE S.A. AND ALUNORTE S.A. ACQUISITION COMMITMENT

In April 2023, Glencore entered into an agreement to acquire a 30% equity stake in Alunorte S.A. ('Alunorte') and a 45% equity stake in Mineração Rio do Norte S.A. ('MRN') for a combined equity value of \$775 million, basis an agreed proportionate look through enterprise value and net debt of \$335 million in the business as at 31 March 2023. The transaction has an effective date of 30 June 2023 and includes certain post-closing adjustments, based on the performance of Alunorte over a 21-month period from 30 June 2023. The total payment on completion, including earn-in and other adjustments, is expected to be c.\$700 million. Completion of the transaction is conditional on customary regulatory approvals and is expected to occur in H2 2023.

28. Contingent liabilities

The Group is subject to various legal and regulatory proceedings as detailed below. These contingent liabilities are reviewed on a regular basis and where appropriate an estimate is made of the potential financial impact on the Group. As at 30 June 2023 and 31 December 2022, it was not feasible to make such an assessment.

LEGAL AND REGULATORY PROCEEDINGS

Under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when Glencore has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources embodying economic benefits, that can be reliably estimated, will be required to settle the liability. A contingent liability is a possible obligation that arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Glencore. If it is not clear whether there is a present obligation, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the end of the reporting period. When a present obligation arises but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, a contingent liability is disclosed.

INVESTIGATIONS BY REGULATORY AND ENFORCEMENT AUTHORITIES

As described in note 22, the Group remains subject to investigations by the OAG and Dutch authorities. At 30 June 2023, taking account of all available evidence, the Investigations Committee concluded that, with respect to these investigations, it is not probable that a present obligation existed at the end of the reporting period. In addition, the timing and amount, if any, of the possible financial effects (such as fines, penalties or damages, which could be material) or other consequences, including external costs, from the OAG and Dutch investigations and any change in their scope are not currently possible to predict or estimate.

The Group notes that other authorities may commence investigations against the Group in connection with the resolved investigations or the matters under investigation. In respect of these investigations, taking into account all available evidence, the Investigations Committee does not consider it probable that a present obligation existed in relation to these potential investigations as at the balance sheet date, and the amount of any financial effects, which could be material, is not currently possible to predict or estimate.

CLAIMS AGAINST THE COMPANY IN CONNECTION WITH INVESTIGATIONS BY REGULATORY AND ENFORCEMENT AUTHORITIES

Claims have been issued against the Group in the United Kingdom in connection with the various Government investigations, constituting claims on behalf of approximately 350 current and former shareholders. The claims are, inter alia, made under s90 of the Financial Services and Markets Act 2000 ('FSMA') relating to prospectus liability, while certain claimants currently include s90A FSMA claims relating to misstatements in other information by the Company, and/or dishonest delay in publishing information. The bases for the claims are that the prospectuses issued in 2011 and 2013 and other published information by the Company were untrue, misleading or contained omissions.

The Group may be the subject of further legal claims brought by other parties in connection with the Government investigations, including collective, group or representative actions.

In respect of these claims, taking into account all available evidence, the Investigations Committee does not consider it probable that a present obligation existed in relation to these claims or potential claims as at the balance sheet date, and the amount of any financial effects, which could be material, is not currently possible to predict or estimate.

OTHER LEGAL PROCEEDINGS

Other claims and unresolved disputes are pending against Glencore. However, based on the Group's current assessment of these matters any future individually material financial obligations are considered to be remote.

ENVIRONMENTAL CONTINGENCIES

Glencore's operations are subject to various environmental laws and regulations. Glencore is not aware of any material non-compliance with those laws and regulations. Glencore accrues for environmental contingencies when such contingencies are probable and reasonably estimable. Such accruals are adjusted as new information develops or circumstances change. Recoveries of environmental remediation costs from insurance companies and other parties are recorded as assets when the recoveries are virtually certain. At this time, Glencore is unaware of any material environmental incidents at its locations. Any potential liability arising from environmental incidents in the ordinary course of the Group's business would not usually be expected to have a material adverse effect on its consolidated income, financial position or cash flows.

29. Related party transactions

In the normal course of business, Glencore enters into various arm's length transactions with related parties, including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash (see notes 13, 15 and 23). There have been no guarantees provided or received for any related party receivables or payables.

All transactions between Glencore and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries, associates and joint ventures. Over the six month period ended 30 June 2023, sales and purchases with associates and joint ventures amounted to \$1,767 million (2022: \$2,061 million) and \$3,050 million (2022: \$4,194 million) respectively.

30. Subsequent events

- On 17 July 2023, it was announced that Glencore's \$73 million offer to buy the remaining 18% equity interest in PolyMet Mining Corp. not already owned had been accepted. The acquisition is subject to shareholder approval and is expected to close over H2 2023.
- On 31 July 2023, it was announced that Glencore reached an agreement to acquire the remaining 56.25% stake in the MARA Project (a copper and gold brownfield project located in Argentina) that it does not already own from Pan American Silver Corp (Pan American). Under the terms of the agreement, Glencore will pay \$475 million in cash upon closing and grant Pan American a copper Net Smelter Return royalty of 0.75%. The closing of the transaction is subject to customary conditions and regulatory filings and is expected to be completed in Q3 2023.
- On 8 August 2023, the Group announced a "top-up" distribution of \$2.2 billion, effected by way of a c.\$1 billion (\$0.08 per share) special distribution and a new \$1.2 billion buyback programme intended to run until the release of our full year results in February 2024. The special distribution of \$0.08 per share will be paid alongside the second tranche of the 2022 distribution in September 2023.

There are no other reportable events since 30 June 2023.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are denoted by the symbol ◊

When assessing and discussing the Group's reported financial performance, financial position and cash flows, Glencore makes reference to Alternative performance measures (APMs), which are not defined or specified under the requirements of IFRS, but are derived from the financial statements prepared in accordance with IFRS. The APMs are consistent with how business performance is measured and reported within the internal management reporting to the Board and management and assist in providing meaningful analysis of the Group's results both internally and externally in discussions with the financial analyst and investment community.

The Group uses APMs to aid the comparability of information between reporting periods and segments and to aid the understanding of the activity taking place across the Group by adjusting for items that are of an infrequent nature and by aggregating or disaggregating (notably in the case of relevant material associates and joint ventures accounted for on an equity basis) certain IFRS measures. APMs are also used to approximate the underlying operating cash flow generation of the operations (Adjusted EBITDA).

Investments in the extractive industry are typically significant and the initial spend generally occurs over several years, 'upfront', prior to the operations generating cash. As a result, the investments are sometimes made with partners and an assessment to approximate the operating cash flow generation/pay-back of the investment (Adjusted EBITDA) is required. Against this backdrop, the key APMs used by Glencore are Adjusted EBITDA, Net funding/Net debt and the disaggregation of the equivalent key APMs of our relevant material associates and joint ventures ('Proportionate adjustment') to enable a consistent evaluation of the financial performance and returns attributable to the Group.

Adjusted EBITDA is a useful approximation of the operating cash flow generation by eliminating depreciation and amortisation adjustments. Adjusted EBITDA is not a direct measure of our liquidity, which is shown by our cash flow statement and needs to be considered in the context of our financial commitments.

Proportionate adjustments are useful to enable a consistent evaluation of the financial performance and returns available to the Group, irrespective of the differing accounting treatments required to account for our minority/joint ownership interests of our relevant material investments.

Net funding is an aggregation of IFRS measures (Borrowings less cash and cash equivalents) and Net debt is Net funding less Readily marketable inventories and provides a measure of our financial leverage and, through Net debt to Adjusted EBITDA relationships, provides an indication of relative financial strength and flexibility.

APMs used by Glencore may not be comparable with similarly titled measures and disclosures by other companies. APMs have limitations as an analytical tool, and a user of the financial statements should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations; and they may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of its future results.

Listed below are the definitions and reconciliations to the underlying IFRS measures of the various APMs used by the Group.

Proportionate adjustment

For internal reporting and analysis, management evaluates the performance of Antamina copper/zinc mine (34% owned) and Collahuasi copper mine (44% owned) under the proportionate consolidation method reflecting Glencore's proportionate share of the revenues, expenses, assets and liabilities of these investments.

Although Glencore has a voting interest in Volcan of 63%, its total economic interest is only 23.3%. For internal reporting and analysis, management evaluates the performance of Volcan under the equity method, reflecting the Group's relatively low 23.3% economic ownership in this fully ring-fenced listed entity, with its stand-alone, independent and separate capital structure. The impact is that we reflect 23.3% of Volcan's net income in the Group's Adjusted EBIT/EBITDA and its consolidated results are excluded from all other APM's, including production data. In Q4 2022, Glencore commenced a process exploring the possible disposal of its 23.3% economic interest in Volcan. As a result, the carrying amounts of Volcan assets and liabilities as at 30 June 2023 and 31 December 2022 are classified as held for sale (see note 16).

The Viterra joint venture is a stand-alone group with a fully independent capital structure, governance and credit profile, supporting a global business, across many geographies, products and activities. Glencore's management evaluates this investment's financial performance on a net return basis, as opposed to an Adjusted EBITDA basis and thus, the financial results of Viterra are presented on a basis consistent with its underlying IFRS treatment (equity accounting).

See reconciliation of revenue and relevant material associates' and joint ventures' Adjusted EBIT to 'Share of net income from associates and joint ventures' below.

ALTERNATIVE PERFORMANCE MEASURES

continued

APMS DERIVED FROM THE STATEMENT OF INCOME

Revenue

Revenue represents revenue by segment (see note 3 of the financial statements), as reported on the face of the statement of income plus the relevant Proportionate adjustments. See reconciliation table below.

US\$ million	HI 2023	HI 2022
Revenue – Marketing activities	91,431	114,311
Revenue – Industrial activities	30,564	40,783
Intersegment eliminations	(13,352)	(19,241)
Revenue - segmental	108,643	135,853
Proportionate adjustment material associates and joint ventures – revenue	(1,687)	(1,930)
Proportionate adjustment Volcan – revenue	459	512
Revenue – reported measure	107,415	134,435

Share of income from relevant material associates and joint ventures

US\$ million	HI 2023	HI 2022
Associates' and joint ventures' Adjusted EBITDA	1,129	1,425
Depreciation and amortisation	(319)	(309)
Associates' and joint ventures' Adjusted EBIT	810	1,116
Net finance costs	(10)	36
Income tax expense	(259)	(402)
	(269)	(366)
Share of income from relevant material associates and joint ventures	541	750
Share of income from other associates and joint ventures	214	504
Share of income from associates and joint ventures¹	755	1,254

¹ Comprises share in earnings of \$139 million (pre-significant items of \$79 million, see note 3 of the interim financial statements) (2022: \$294 million) from Marketing activities and share in earnings of \$695 million (2022: \$960 million) from Industrial activities.

Adjusted EBIT/EBITDA

Adjusted EBIT/EBITDA provide insight into our overall business performance (a combination of cost management, seizing market opportunities and growth), and are the corresponding flow drivers towards our objective of achieving industry-leading returns.

Adjusted EBIT is the net result of revenue less cost of goods sold, net credit losses on financial assets and selling and administrative expenses, plus share of income from associates and joint ventures, dividend income and the attributable share of Adjusted EBIT of relevant material associates and joint ventures, which are accounted for internally by means of proportionate consolidation, excluding Significant items, see below.

Adjusted EBITDA consists of Adjusted EBIT plus depreciation and amortisation, including the related Proportionate adjustments. See reconciliation table below.

US\$ million	HI 2023	HI 2022
Reported measures		
Revenue	107,415	134,435
Cost of goods sold	(100,906)	(118,712)
Net estimated credit losses	(12)	(53)
Selling and administrative expenses	(1,030)	(1,360)
Share of income from associates and joint ventures	755	1,254
Dividend income	2	43
	6,224	15,607
Adjustments to reported measures		
Share of associates' significant items	79	–
Movement in unrealised inter-segment profit elimination	(176)	(488)
Proportionate adjustment material associates and joint ventures – net finance and income tax expense	269	366
Proportionate adjustment Volcan – net finance, income tax expense and non-controlling interests	(91)	(70)
Adjusted EBIT	6,305	15,415
Depreciation and amortisation	2,773	3,306
Proportionate adjustment material associates and joint ventures – depreciation	319	309
Proportionate adjustment Volcan – depreciation	–	(112)
Adjusted EBITDA	9,397	18,918

ALTERNATIVE PERFORMANCE MEASURES

continued

Significant items

Significant items of income and expense which, due to their variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of Glencore's results to aid in an understanding and comparative basis of the underlying financial performance. Refer to reconciliation below.

Reconciliation of net significant items H1 2023

US\$ million	Gross significant charges	Non-controlling interests' share	Significant items tax	Equity holders' share
Share of Associates' significant items ¹	(79)	–	–	(79)
Movement in unrealised inter-segment profit elimination ¹	176	–	(25)	151
Gain on acquisitions and disposals of non-current assets ²	679	–	(188)	491
Other expense – net ³	(18)	19	5	6
Tax significant items in their own right ⁴	–	–	(159)	(159)
	758	19	(367)	410
Impairments attributable to equity holders				
Impairments ⁵	(47)	–	–	(47)
	(47)	–	–	(47)
Total significant items	711	19	(367)	363

1 See note 3 of the interim financial statements.

2 See note 5 of the interim financial statements.

3 See note 6 of the interim financial statements.

4 Relates to losses not recognised (\$150 million) and adjustments in respect of prior years (\$165 million), net of tax credit related to foreign exchange fluctuations (\$156 million), see note 9 of the financial statements.

5 See note 8 of the interim financial statements.

Reconciliation of net significant items H1 2022

US\$ million	Gross significant charges	Non-controlling interests' share	Significant items tax	Equity holders' share
Movement in unrealised inter-segment profit elimination ¹	488	–	(54)	434
Gain on acquisitions and disposals of non-current assets ²	1,463	25	(115)	1,373
Other expense – net ³	(502)	–	(11)	(513)
Tax significant items in their own right ⁴	–	–	(104)	(104)
	1,449	25	(284)	1,190
Reversal of impairments attributable to equity holders				
Reversal of impairments ⁵	40	6	–	46
	40	6	–	46
Total significant items	1,489	31	(284)	1,236

1 See note 3 of the interim financial statements.

2 See note 5 of the interim financial statements.

3 See note 6 of the interim financial statements.

4 Relates to foreign exchange fluctuations (\$45 million), tax losses not recognised (\$16 million) and adjustments in respect of prior years (\$295 million), net of tax credits related to certain recognition of tax adjustments (\$252 million), see note 9 of the financial statements.

5 See note 8 of the interim financial statements.

Net income attributable to equity holders pre-significant items

Net income attributable to equity holders pre-significant items is a measure of our ability to generate shareholder returns.

The calculation of tax items to be excluded from Net income, includes the tax effect of significant items and significant tax items themselves. Refer to reconciliation below.

US\$ million	H1 2023	H1 2022
Income for the period attributable to equity holders of the Parent	4,568	12,085
Significant items	(363)	(1,236)
Income attributable to equity holders of the Parent pre-significant items	4,205	10,849

ALTERNATIVE PERFORMANCE MEASURES

continued

APMS DERIVED FROM THE STATEMENT OF FINANCIAL POSITION

Net funding/Net debt and Net debt to Adjusted EBITDA

Net funding/debt demonstrates how our debt is being managed and is an important factor in ensuring we maintain investment grade credit rating status and a competitive cost of capital. Net funding is defined as total current and non-current borrowings less cash and cash equivalents and related Proportionate adjustments. Net debt is defined as Net funding less readily marketable inventories and related Proportionate adjustments. Consistent with the general approach in relation to our internal reporting and evaluation of Volcan, its consolidated net debt has also been adjusted to reflect the Group's relatively low 23.3% economic ownership (compared to its 63% voting interest) in this still fully ring-fenced listed entity, with its standalone, independent and separate capital structure. Furthermore, the relationship of Net debt to Adjusted EBITDA provides an indication of financial flexibility. See reconciliation table below.

Readily marketable inventories (RMI)

RMI, comprising the core inventories which underpin and facilitate Glencore's marketing activities, represent inventories, that in Glencore's assessment, are readily convertible into cash in the short term due to their liquid nature, widely available markets and the fact that price risk is primarily covered either by a forward physical sale or hedge transaction. Glencore regularly assesses the composition of these inventories and their applicability, relevance and availability to the marketing activities. At 30 June 2023, \$25,991 million (2022: \$27,425 million) of inventories were considered readily marketable. This comprises \$17,434 million (2022: \$19,157 million) of inventories carried at fair value less costs of disposal and \$8,557 million (2022: \$8,268 million) carried at the lower of cost or net realisable value. Total readily marketable inventories includes \$242 million (2022: \$230 million) related to the relevant material associates and joint ventures (see note 3) presented under the proportionate consolidation method, comprising inventory carried at lower of cost or net realisable value. Given the highly liquid nature of these inventories, which represent a significant share of current assets, the Group believes it is appropriate to consider them together with cash equivalents in analysing Group net debt levels and computing certain debt coverage ratios and credit trends.

Net funding/net debt at 30 June 2023

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Non-current borrowings	19,481	844	–	20,325
Current borrowings	9,181	26	–	9,207
Total borrowings	28,662	870	–	29,532
Less: cash and cash equivalents	(1,863)	(136)	–	(1,999)
Net funding¹	26,799	734	–	27,533
Less: Readily marketable inventories	(25,749)	(242)	–	(25,991)
Net debt	1,050	492	–	1,542

Net funding/net debt at 31 December 2022

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Non-current borrowings	18,851	845	–	19,696
Current borrowings	9,926	26	–	9,952
Total borrowings	28,777	871	–	29,648
Less: cash and cash equivalents	(1,923)	(225)	–	(2,148)
Net funding¹	26,854	646	–	27,500
Less: Readily marketable inventories	(27,195)	(230)	–	(27,425)
Net debt / (cash)	(341)	416	–	75

¹ Includes \$680 million (2022: \$595 million) of Marketing related lease liabilities.

Capital expenditure ('Capex')

Capital expenditure is expenditure capitalised as property, plant and equipment. For internal reporting and analysis, Capex includes related Proportionate adjustments. See reconciliation table below.

US\$ million	HI 2023	HI 2022
Capital expenditure – Marketing activities	340	101
Capital expenditure – Industrial activities	2,469	1,967
Capital expenditure - segmental	2,809	2,068
Proportionate adjustment material associates and joint ventures – capital expenditure	(548)	(272)
Proportionate adjustment Volcan – capital expenditure	–	107
Capital expenditure – reported measure	2,261	1,903

ALTERNATIVE PERFORMANCE MEASURES

continued

APMS DERIVED FROM THE STATEMENT OF CASH FLOWS

Net purchase and sale of property, plant and equipment

Net purchase and sale of property, plant and equipment is cash purchase of property, plant and equipment, net of proceeds from sale of property, plant and equipment. For internal reporting and analysis, Net purchase and sale of property, plant and equipment includes proportionate adjustments. See reconciliation table below.

Six months ended 30 June 2023

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Purchase of property, plant and equipment	(2,080)	(536)	5	(2,611)
Proceeds from sale of property, plant and equipment	133	–	–	133
Net purchase and sale of property, plant and equipment	(1,947)	(536)	5	(2,478)

Six months ended 30 June 2022

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Purchase of property, plant and equipment	(1,876)	(268)	71	(2,073)
Proceeds from sale of property, plant and equipment	29	–	–	29
Net purchase and sale of property, plant and equipment	(1,847)	(268)	71	(2,044)

Funds from operations (FFO) and FFO to Net debt

FFO is a measure that reflects our ability to generate cash for investment, debt servicing and returns to shareholders. It comprises cash provided by operating activities before working capital changes, less tax and net interest payments plus dividends received and related Proportionate adjustments. Furthermore, the relationship of FFO to net debt is an indication of our financial flexibility and strength. See reconciliation table below.

Six months ended 30 June 2023

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Cash generated by operating activities before working capital changes, interest and tax	8,408	–	–	8,408
Addback EBITDA of relevant material associates and joint ventures	–	1,129	(118)	1,011
Non-cash adjustments included within EBITDA	–	24	–	24
Adjusted cash generated by operating activities before working capital changes, interest and tax	8,408	1,153	(118)	9,443
Income taxes paid	(5,116)	(362)	16	(5,462)
Interest received	281	5	(3)	283
Interest paid	(928)	(19)	33	(914)
Dividends received from associates and joint ventures	879	(517)	–	362
Funds from operations (FFO)	3,524	260	(72)	3,712

ALTERNATIVE PERFORMANCE MEASURES

continued

Last Twelve Months ('LTM') key ratios calculation 2023

US\$ million	FFO	Adjusted EBITDA
Full year 2022	28,938	34,060
Less: H1 2022	(15,425)	(18,918)
H2 2022	13,513	15,142
Add: H1 2023	3,712	9,397
LTM	17,225	24,539
Net debt at 30 June 2023		1,542
FFO to Net debt		1117.1%
Net debt to Adjusted EBITDA		0.06

Six months ended 30 June 2022

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Cash generated by operating activities before working capital changes, interest and tax	18,290	–	–	18,290
Addback EBITDA of relevant material associates and joint ventures	–	1,425	(189)	1,236
Non-cash adjustments included within EBITDA	–	14	(3)	11
Adjusted cash generated by operating activities before working capital changes, interest and tax	18,290	1,439	(192)	19,537
Income taxes paid	(3,023)	(736)	24	(3,735)
Interest received	67	1	(1)	67
Interest paid	(556)	(7)	31	(532)
Dividends received from associates and joint ventures	1,058	(970)	–	88
Funds from operations (FFO)	15,836	(273)	(138)	15,425

OTHER RECONCILIATIONS

AVAILABLE COMMITTED LIQUIDITY¹

US\$ million	as at 30.06.2023	as at 31.12.2022
Cash and cash equivalents – reported	1,863	1,923
Proportionate adjustment – cash and cash equivalents	136	225
Headline committed core revolving credit facilities	12,960	11,185
Other committed facilities	300	–
Amount drawn under revolving credit facilities	(1,694)	–
Amounts drawn under U.S. commercial paper programme	(639)	(333)
Total	12,926	13,000

¹ Presented on an adjusted measure basis.

CASH FLOW RELATED ADJUSTMENTS HI 2023

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Funds from operations (FFO)	3,524	260	(72)	3,712
Working capital changes	3,368	202	81	3,651
Net cash used in acquisitions of subsidiaries	(199)	–	–	(199)
Net cash received from disposal of subsidiaries	770	–	–	770
Purchase of investments	(88)	–	–	(88)
Proceeds from sale of investments	55	–	–	55
Purchase of property, plant and equipment	(2,080)	(536)	5	(2,611)
Proceeds from sale of property, plant and equipment	133	–	–	133
Margin receipts in respect of financing related hedging activities	258	–	–	258
Acquisition of non-controlling interests in subsidiaries	9	–	–	9
Return of capital/distributions to non-controlling interests	(4)	–	–	(4)
Purchase of own shares	(2,428)	–	–	(2,428)
Distributions paid to equity holders of the Parent	(2,749)	–	–	(2,749)
Cash movement in net funding	569	(74)	14	509

CASH FLOW RELATED ADJUSTMENTS HI 2022

US\$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Funds from operations (FFO)	15,836	(273)	(138)	15,425
Working capital changes	(9,042)	305	12	(8,725)
Increase in long-term advances and loans	(200)	–	–	(200)
Net cash received/(used) in acquisitions of subsidiaries	321	(169)	–	152
Net cash received from disposal of subsidiaries	610	–	–	610
Purchase of investments	(183)	–	–	(183)
Proceeds from sale of investments	19	–	–	19
Purchase of property, plant and equipment	(1,876)	(268)	71	(2,073)
Proceeds from sale of property, plant and equipment	29	–	–	29
Margin payments in respect of financing related hedging activities	(1,389)	–	–	(1,389)
Return of capital/distributions to non-controlling interests	(218)	–	–	(218)
Purchase of own shares	(486)	–	–	(486)
Disposal of own shares	247	–	–	247
Distributions paid to equity holders of the Parent	(1,707)	–	–	(1,707)
Cash movement in net funding	1,961	(405)	(55)	1,501

OTHER RECONCILIATIONS

continued

Adjusted applicable tax rate

The adjusted applicable tax rate represents the effective tax rate which is computed based on the income tax expense, pre-significant items and related Proportionate adjustments, divided by the earnings before tax, pre-significant items and related Proportionate adjustments. See reconciliation table below.

RECONCILIATION OF TAX EXPENSE H1 2023

US\$ million	Total
Adjusted EBIT, pre-significant items	6,305
Net finance costs	(839)
Adjustments for:	
Net finance costs from material associates and joint ventures	(10)
Proportional adjustment and net finance costs - Volcan	2
Share of income from other associates pre-significant items	(293)
Profit on a proportionate consolidation basis before tax and pre-significant items	5,165
Income tax expense, pre-significant items	(1,364)
Adjustments for:	
Tax expense from material associates and joint ventures	(259)
Tax expense from Volcan	(26)
Tax expense on a proportionate consolidation basis	(1,649)
Adjusted applicable tax rate	31.9%

US\$ million	Pre-significant tax expense	Significant items tax ¹	Total tax expense
Tax expense on a proportionate consolidation basis	1,649	367	2,016
Adjustment in respect of material associates and joint ventures – tax	(259)	–	(259)
Adjustment in respect of Volcan – tax	(26)	–	(26)
Tax expense on the basis of the income statement	1,364	367	1,731

¹ See table above.

RECONCILIATION OF TAX EXPENSE H1 2022

US\$ million	Total
Adjusted EBIT, pre-significant items	15,415
Net finance costs	(596)
Adjustments for:	
Net finance costs from material associates and joint ventures	36
Proportional adjustment and net finance costs - Volcan	15
Share of income from other associates pre-significant items	(504)
Profit on a proportionate consolidation basis before tax and pre-significant items	14,366
Income tax expense, pre-significant items	(3,633)
Adjustments for:	
Tax expense from material associates and joint ventures	(402)
Tax expense from Volcan	21
Tax expense on a proportionate consolidation basis	(4,014)
Adjusted applicable tax rate	27.9%

US\$ million	Pre-significant tax expense	Significant items tax ¹	Total tax expense
Tax expense on a proportionate consolidation basis	4,014	284	4,298
Adjustment in respect of material associates and joint ventures – tax	(402)	–	(402)
Adjustment in respect of Volcan – tax	21	–	21
Tax expense on the basis of the income statement	3,633	284	3,917

¹ See table above.

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

Metals and minerals

PRODUCTION FROM OWN SOURCES – TOTAL¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Copper	kt	252.4	260.3	287.6	244.1	243.9	488.0	510.2	(4)	(3)
Cobalt	kt	11.0	12.4	10.7	10.5	11.2	21.7	20.7	5	2
Zinc	kt	239.2	218.9	238.9	205.3	229.4	434.7	480.7	(10)	(4)
Lead	kt	48.3	41.8	54.7	39.3	48.1	87.4	95.1	(8)	–
Nickel	kt	27.1	23.8	25.9	20.9	25.5	46.4	57.8	(20)	(6)
Gold	koz	145	170	157	187	182	369	334	10	26
Silver	koz	6,064	5,299	5,872	4,525	4,921	9,446	12,579	(25)	(19)
Ferrochrome	kt	399	324	378	400	317	717	786	(9)	(21)
Coal	mt	26.9	26.5	28.1	26.9	27.3	54.2	55.4	(2)	1
Oil (entitlement interest basis)	kboe	1,632	1,690	1,309	1,208	1,142	2,350	3,132	(25)	(30)

PRODUCTION FROM OWN SOURCES – COPPER ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %	
African Copper (Katanga, Mutanda)											
Katanga	Copper metal	kt	45.8	56.7	67.3	53.6	48.7	102.3	96.1	6	6
	Cobalt ²	kt	6.4	7.6	6.6	7.0	7.6	14.6	11.3	29	19
Mutanda	Copper metal	kt	8.6	8.2	11.2	8.2	9.7	17.9	13.9	29	13
	Cobalt ²	kt	3.8	3.8	3.2	2.8	3.0	5.8	7.7	(25)	(21)
	Total Copper metal	kt	54.4	64.9	78.5	61.8	58.4	120.2	110.0	9	7
	Total Cobalt²	kt	10.2	11.4	9.8	9.8	10.6	20.4	19.0	7	4
Collahuasi³											
	Copper in concentrates	kt	62.1	60.4	62.9	57.1	57.3	114.4	127.8	(10)	(8)
	Silver in concentrates	koz	864	738	809	724	888	1,612	1,803	(11)	3
	Gold in concentrates	koz	8	9	10	9	11	20	19	5	38
Antamina⁴											
	Copper in concentrates	kt	40.4	38.9	36.4	32.0	36.3	68.3	77.2	(12)	(10)
	Zinc in concentrates	kt	34.5	39.6	32.5	31.8	45.3	77.1	72.2	7	31
	Silver in concentrates	koz	1,327	1,340	1,018	923	1,027	1,950	2,606	(25)	(23)
Other South America (Antapaccay, Lomas Bayas)											
Antapaccay	Copper in concentrates	kt	36.3	34.8	42.5	36.8	45.9	82.7	73.7	12	26
	Gold in concentrates	koz	15	13	19	21	35	56	29	93	133
	Silver in concentrates	koz	300	263	316	251	358	609	643	(5)	19
Lomas Bayas	Copper metal	kt	17.4	18.2	19.4	17.9	11.9	29.8	35.0	(15)	(32)
	Total Copper metal	kt	17.4	18.2	19.4	17.9	11.9	29.8	35.0	(15)	(32)
	Total Copper in concentrates	kt	36.3	34.8	42.5	36.8	45.9	82.7	73.7	12	26
	Total Gold in concentrates and in doré	koz	15	13	19	21	35	56	29	93	133
	Total Silver in concentrates and in doré	koz	300	263	316	251	358	609	643	(5)	19

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Metals and minerals

PRODUCTION FROM OWN SOURCES – COPPER ASSETS¹ CONTINUED

		Q2	Q3	Q4	Q1	Q2	H1	H1	Change	Change	
		2022	2022	2022	2023	2023	2023	2022	H1 23 vs H1 22 %	Q2 23 vs Q2 22 %	
Australia (Cobar)											
Cobar	Copper in concentrates	kt	9.5	7.3	11.2	8.7	6.3	15.0	18.8	(20)	(34)
	Silver in concentrates	koz	101	95	139	100	80	180	212	(15)	(21)
Total Copper department											
	Copper	kt	220.1	224.5	250.9	214.3	216.1	430.4	442.5	(3)	(2)
	Cobalt	kt	10.2	11.4	9.8	9.8	10.6	20.4	19.0	7	4
	Zinc	kt	34.5	39.6	32.5	31.8	45.3	77.1	72.2	7	31
	Gold	koz	23	22	29	30	46	76	48	58	100
	Silver	koz	2,592	2,436	2,282	1,998	2,353	4,351	5,264	(17)	(9)

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Metals and minerals
PRODUCTION FROM OWN SOURCES – ZINC ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %	
Kazzinc											
Zinc metal	kt	31.6	30.2	28.0	24.9	24.6	49.5	67.5	(27)	(22)	
Zinc in concentrates	kt	6.1	5.7	8.6	9.4	13.1	22.5	6.4	252	115	
Lead metal	kt	4.4	3.3	3.8	4.8	4.0	8.8	9.8	(10)	(9)	
Lead in concentrates	kt	–	–	0.4	3.5	4.0	7.5	–	n.m.	n.m.	
Copper metal ⁵	kt	4.2	5.9	4.3	3.4	1.6	5.0	10.3	(51)	(62)	
Gold	koz	119	144	125	154	134	288	277	4	13	
Silver	koz	603	583	698	693	414	1,107	1,440	(23)	(31)	
Silver in concentrates	koz	–	–	12	140	123	263	–	n.m.	n.m.	
<i>Kazzinc – total smelter production including third party feed</i>											
Zinc metal	kt	68.5	61.2	55.5	63.5	61.5	125.0	140.2	(11)	(10)	
Lead metal	kt	28.0	26.1	25.8	23.9	21.8	45.7	55.7	(18)	(22)	
Copper metal	kt	12.3	14.3	13.9	11.5	5.8	17.3	27.6	(37)	(53)	
Gold	koz	210	224	262	261	270	531	426	25	29	
Silver	koz	5,517	5,798	4,959	4,861	4,716	9,577	11,248	(15)	(15)	
Australia (Mount Isa, McArthur River)											
Mount Isa	Zinc in concentrates	kt	72.9	66.4	87.2	61.6	68.5	130.1	136.6	(5)	(6)
	Copper metal	kt	12.2	18.4	23.1	16.5	18.6	35.1	29.0	21	52
	Lead in concentrates	kt	29.3	26.6	36.0	18.8	27.8	46.6	51.9	(10)	(5)
	Silver	koz	125	112	207	180	158	338	238	42	26
	Silver in concentrates	koz	1,080	921	1,383	708	1,086	1,794	1,821	(1)	1
<i>Mount Isa, Townsville – total production including third party feed</i>											
	Copper metal	kt	37.0	51.6	56.2	44.3	50.5	94.8	83.7	13	36
	Gold	koz	36	35	43	37	35	72	70	3	(3)
	Silver	koz	457	423	578	408	386	794	884	(10)	(16)
McArthur River	Zinc in concentrates	kt	67.8	63.9	70.5	66.9	66.4	133.3	139.4	(4)	(2)
	Lead in concentrates	kt	12.5	10.3	13.1	12.2	12.3	24.5	28.0	(13)	(2)
	Silver in concentrates	koz	330	227	371	366	261	627	869	(28)	(21)
	Total Zinc in concentrates	kt	140.7	130.3	157.7	128.5	134.9	263.4	276.0	(5)	(4)
	Total Copper	kt	12.2	18.4	23.1	16.5	18.6	35.1	29.0	21	52
	Total Lead in concentrates	kt	41.8	36.9	49.1	31.0	40.1	71.1	79.9	(11)	(4)
	Total Silver	koz	125	112	207	180	158	338	238	42	26
	Total Silver in concentrates	koz	1,410	1,148	1,754	1,074	1,347	2,421	2,690	(10)	(4)
North America (Matagami, Kidd)⁶											
Matagami	Zinc in concentrates	kt	8.4	–	–	–	–	17.3	(100)	(100)	
	Copper in concentrates	kt	1.7	–	–	–	–	3.2	(100)	(100)	
Kidd	Zinc in concentrates	kt	13.6	8.2	8.4	10.7	11.5	22.2	22.6	(2)	(15)
	Copper in concentrates	kt	8.3	7.1	4.9	6.8	4.6	11.4	13.1	(13)	(45)
	Silver in concentrates	koz	529	305	292	392	477	869	749	16	(10)
	Total Zinc in concentrates	kt	22.0	8.2	8.4	10.7	11.5	22.2	39.9	(44)	(48)
	Total Copper in concentrates	kt	10.0	7.1	4.9	6.8	4.6	11.4	16.3	(30)	(54)
	Total Silver in concentrates	koz	529	305	292	392	477	869	749	16	(10)

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Metals and minerals

PRODUCTION FROM OWN SOURCES – ZINC ASSETS¹ CONTINUED

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Other Zinc: South America (Bolivia, Peru)⁶										
Zinc in concentrates	kt	4.3	4.9	3.7	–	–	–	18.7	(100)	(100)
Lead in concentrates	kt	2.1	1.6	1.4	–	–	–	5.4	(100)	(100)
Copper in concentrates	kt	0.3	0.4	0.3	–	–	–	0.7	(100)	(100)
Silver in concentrates	koz	757	670	567	–	–	–	2,108	(100)	(100)
Total Zinc department										
Zinc	kt	204.7	179.3	206.4	173.5	184.1	357.6	408.5	(12)	(10)
Lead	kt	48.3	41.8	54.7	39.3	48.1	87.4	95.1	(8)	–
Copper	kt	26.7	31.8	32.6	26.7	24.8	51.5	56.3	(9)	(7)
Gold	koz	119	144	125	154	134	288	277	4	13
Silver	koz	3,424	2,818	3,530	2,479	2,519	4,998	7,225	(31)	(26)

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Metals and minerals

PRODUCTION FROM OWN SOURCES – NICKEL ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)										
Nickel metal	kt	11.8	8.8	9.7	8.1	10.0	18.1	27.7	(35)	(15)
Nickel in concentrates	kt	0.1	–	0.1	–	–	–	0.1	(100)	(100)
Copper metal	kt	3.2	2.2	2.5	2.0	1.9	3.9	7.2	(46)	(41)
Copper in concentrates	kt	2.4	1.8	1.6	1.1	1.1	2.2	4.2	(48)	(54)
Cobalt metal	kt	0.1	0.2	0.1	0.1	0.1	0.2	0.3	(33)	–
Gold	koz	3	4	3	3	2	5	9	(44)	(33)
Silver	koz	48	45	60	48	49	97	90	8	2
Platinum	koz	10	7	8	6	6	12	17	(29)	(40)
Palladium	koz	25	17	16	16	17	33	50	(34)	(32)
Rhodium	koz	1	1	1	1	–	1	2	(50)	(100)
<i>Integrated Nickel Operations – total production including third party feed</i>										
Nickel metal	kt	19.8	15.9	23.6	23.9	23.2	47.1	42.4	11	17
Nickel in concentrates	kt	–	0.1	–	–	0.1	0.1	0.1	–	n.m.
Copper metal	kt	5.0	3.7	4.7	5.2	5.0	10.2	10.1	1	–
Copper in concentrates	kt	3.3	2.4	2.7	1.6	1.6	3.2	5.5	(42)	(52)
Cobalt metal	kt	0.7	0.6	0.9	0.9	0.8	1.7	1.6	6	14
Gold	koz	7	7	6	6	8	14	16	(13)	14
Silver	koz	127	111	130	86	89	175	253	(31)	(30)
Platinum	koz	22	14	16	12	13	25	39	(36)	(41)
Palladium	koz	63	47	49	46	54	100	125	(20)	(14)
Rhodium	koz	1	1	2	1	1	2	2	–	–
Murrin Murrin										
Total Nickel metal	kt	9.4	9.5	9.1	7.8	7.8	15.6	17.1	(9)	(17)
Total Cobalt metal	kt	0.7	0.8	0.8	0.6	0.5	1.1	1.4	(21)	(29)
<i>Murrin Murrin – total production including third party feed</i>										
Total Nickel metal	kt	10.7	10.5	10.3	8.9	9.0	17.9	19.6	(9)	(16)
Total Cobalt metal	kt	0.8	0.8	0.9	0.7	0.6	1.3	1.6	(19)	(25)
Koniambo										
Nickel in ferronickel	kt	5.8	5.5	7.0	5.0	7.7	12.7	12.9	(2)	33
Total Nickel department										
Nickel	kt	27.1	23.8	25.9	20.9	25.5	46.4	57.8	(20)	(6)
Copper	kt	5.6	4.0	4.1	3.1	3.0	6.1	11.4	(46)	(46)
Cobalt	kt	0.8	1.0	0.9	0.7	0.6	1.3	1.7	(24)	(25)
Gold	koz	3	4	3	3	2	5	9	(44)	(33)
Silver	koz	48	45	60	48	49	97	90	8	2
Platinum	koz	10	7	8	6	6	12	17	(29)	(40)
Palladium	koz	25	17	16	16	17	33	50	(34)	(32)
Rhodium	koz	1	1	1	1	–	1	2	(50)	(100)

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Metals and minerals

PRODUCTION FROM OWN SOURCES – FERROALLOYS ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Ferrochrome ⁷	kt	399	324	378	400	317	717	786	(9)	(21)
Vanadium pentoxide	mlb	4.4	4.4	5.5	5.4	3.9	9.3	9.9	(6)	(11)

TOTAL PRODUCTION – CUSTOM METALLURGICAL ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Copper (Altonorte, Pasar, Horne, CCR)										
Copper metal	kt	123.2	94.2	130.7	128.2	123.2	251.4	232.0	8	–
Copper anode	kt	126.8	104.8	131.9	119.9	105.4	225.3	238.2	(5)	(17)
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet, CEZ Refinery)										
Zinc metal	kt	171.9	176.9	155.2	140.6	204.7	345.3	350.9	(2)	19
Lead metal	kt	77.0	57.1	57.3	65.0	58.7	123.7	159.0	(22)	(24)

1 Controlled industrial assets and joint ventures only (excludes Volcan). Production is on a 100% basis, except for joint ventures, where the Group's attributable share of production is included.

2 Cobalt contained in concentrates and hydroxides.

3 The Group's pro-rata share of Collahuasi production (44%).

4 The Group's pro-rata share of Antamina production (33.75%).

5 Copper metal includes copper contained in copper concentrates and blister.

6 North and South American assets sold or closed since the beginning of 2022: Matagamí (Canada) completed mining in June 2022, Bolivian Zinc sold in March 2022, Peruvian Zinc sold in December 2022.

7 The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture.

PRODUCTION BY QUARTER – Q2 2022 TO Q2 2023

continued

Energy products

PRODUCTION FROM OWN SOURCES – COAL ASSETS¹

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Australian coking coal	mt	1.8	2.3	2.5	2.0	1.7	3.7	3.9	(5)	(6)
Australian semi-soft coal	mt	0.9	1.0	1.2	1.1	0.8	1.9	1.8	6	(11)
Australian thermal coal (export)	mt	14.2	12.1	13.7	12.9	13.8	26.7	27.6	(3)	(3)
Australian thermal coal (domestic)	mt	1.6	2.4	2.4	1.5	1.7	3.2	3.0	7	6
South African thermal coal (export)	mt	2.9	3.5	2.9	3.2	3.4	6.6	6.3	5	17
South African thermal coal (domestic)	mt	0.9	0.9	0.8	0.8	1.1	1.9	2.0	(5)	22
Cerrejón	mt	4.6	4.3	4.6	5.4	4.8	10.2	10.8	(6)	4
Total Coal department	mt	26.9	26.5	28.1	26.9	27.3	54.2	55.4	(2)	1

OIL ASSETS (NON-OPERATED)

		Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	H1 2023	H1 2022	Change H1 23 vs H1 22 %	Change Q2 23 vs Q2 22 %
Glencore entitlement interest basis										
Equatorial Guinea	kboe	1,318	1,458	1,104	1,017	979	1,996	2,545	(22)	(26)
Cameroon	kbbbl	314	232	205	191	163	354	587	(40)	(48)
Total Oil department	kboe	1,632	1,690	1,309	1,208	1,142	2,350	3,132	(25)	(30)
Gross basis										
Equatorial Guinea	kboe	6,406	7,089	6,858	6,027	5,241	11,268	12,362	(9)	(18)
Cameroon	kbbbl	676	571	508	483	410	893	1,356	(34)	(39)
Total Oil department	kboe	7,082	7,660	7,366	6,510	5,651	12,161	13,718	(11)	(20)

¹ Controlled industrial assets and joint ventures only. Production is on a 100% basis, except for joint ventures, where the Group's attributable share of production is included.

FULL YEAR 2023 PRODUCTION GUIDANCE

		Actual FY 2020	Actual FY 2021	Actual FY 2022	Previous guidance 2023	Current guidance 2023	2023 weighting	
							H1	H2
Copper	kt	1,258	1,196	1,058	1,040 ± 30	1,040 ± 30	47%	53%
Cobalt	kt	27.4	31.3	43.8	38 ± 5	38 ± 5	57%	43%
Zinc	kt	1,170	1,118	939	950 ± 30	950 ± 30 ¹	46%	54%
Nickel	kt	110	102	108	112 ± 5	112 ± 5	41%	59%
Ferrochrome	kt	1,029	1,468	1,488	1,310 ± 30	1,310 ± 30	55%	45%
Coal	mt	106	103	110	110 ± 5	110 ± 5	49%	51%

¹ Excludes Volcan.

Production guidance is unchanged from that presented in Glencore's December 2022 investor update.

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