

## Schedule 1

### Ordinary Resolution

#### PROJECTED THERMAL COAL PRODUCTION

That the Climate Action Transition Plan to be presented for a vote (by whatever name called) at the 2024 Glencore plc Annual General Meeting includes:

- a) Disclosure of how the Company's projected thermal coal production aligns with the Paris Agreement's objective to pursue efforts to limit the global temperature increase to 1.5°C;
- b) Details of how the Company's capital expenditure allocated to thermal coal production will align with the disclosure in a. above; and
- c) The extent of any inconsistency between the disclosure in a. above with the IEA Net Zero Scenario timelines for the phase out of unabated thermal coal for electricity generation in (i) advanced economies, and (ii) developing economies.

## Schedule 2

### Supporting Statement to be Circulated (835 words)

Our Company made a welcome public commitment in 2021 to, "manage the decline of [its] fossil fuel portfolio in a responsible manner", and stated that, "Glencore is committed to align its targets and ambition with the goals of the Paris agreement." This commitment was accompanied with a medium-term 50% reduction of total (Scope 1, 2 and 3) emissions by 2035 on 2019 levels, which our Company stated was in line with the ambitions of the 1.5°C scenarios set out by the Intergovernmental Panel on Climate Change. However, it is unclear how our Company's planned thermal coal production aligns with the global demand for thermal coal under a 1.5°C scenario.

Institutional investors in Glencore see immense opportunity for corporate value creation if it can be demonstrated that the Company's thermal coal production does in fact align with the Paris Agreement's objective of pursuing efforts to limit the global temperature increase to 1.5°C.

According to Glencore's 2021 Annual Report, coal accounted for approximately 90% of Glencore's total disclosed scope 1, 2 and 3 emissions. Our Company has significant exposure to thermal coal, which accounts for approximately 90% of its total annual coal production, based on Company disclosures. This high proportion of emissions from thermal coal production requires investors to have greater insights into the specific plan to align thermal coal production with emissions reductions commitments.

In 2022, our Company progressed its intention to gain approval for thermal coal expansions at the Glendell and Hunter Valley Operations coal mines. Thermal coal output recently increased due to the acquisition of 100% of the Cerrejón coal mine in Columbia.

Currently, there is insufficient evidence to demonstrate that our Company's planned thermal coal expansions are aligned with the Paris Agreement or that these expansions correspond with a pathway to limit warming to 1.5°C.

### **Capex commitments could drive new opportunities**

Capital expenditure for thermal coal is of particular significance for our Company's corporate value given the high proportion of its emissions generated by coal production.

Our Company is well positioned to benefit in the new energy economy. It possesses significant potential to increase strategic focus on boosting transition metal production to aid renewable energy development. In contrast, thermal coal production faces declining demand and is misaligned with efforts to stabilise global temperature rise to 1.5°C. There is potential to enhance the Company's valuation by aligning coal production to a 1.5°C pathway and accelerating investment in transition minerals.

Our Company will benefit from actively embracing the climate change challenge. By allocating capital to thermal coal expansion, Glencore is exacerbating its Scope 1 and 3 emissions impacts. We believe more value will be created for shareholders by allocating fossil fuel capex to the energy transition instead.

Corporate value would be better protected with greater disclosure of how our Company will align its capital expenditure plans with the Paris Agreement's objective to pursue efforts to limit the global temperature increase to 1.5°C.

### **'Just transitions' are less risky**

Any transition that does not include the fair treatment of workers and communities can carry an additional set of risks for investors. The World Energy Outlook 2022 states, "people-centred and just transition policies will be vital to provide support for fossil fuel workers with limited transition prospects in energy or parallel industries." Investors would benefit from more information and for Glencore to outline its own just transition policies as part of the next Climate Action Transition Plan.

### **The IEA Net Zero Emissions Scenario provides timelines**

The most recent 2022 IEA Net Zero Emissions (NZE) scenario offers a 1.5°C-aligned outlook for coal demand that considers the impact of the global energy crisis. Phasing out coal for electricity generation is a central pillar of the scenario, with demand falling by two thirds between 2021 and 2030. The report states, “Despite a temporary boost from the current energy crisis... the share of unabated coal in global electricity generation falls rapidly from 36% in 2021 to 12% in 2030, and to zero percent by 2040 and beyond.”

Thermal coal demand will drop faster than coking coal demand over the period to 2030, falling by 50% compared to 30%, with both categories facing steeper declines after 2030. Overall declines in the NZE will be sharper in developed countries compared to developing countries. Between 2021 and 2030, coal demand will drop by around 75% in the developed world, and 40% in the developing world.

Currently, our Company does not clearly disclose the destination of its thermal coal exports. Enhanced disclosure would assist investors to understand the extent to which Glencore's thermal coal production is being exported to developed countries for power generation and if thermal coal production is aligned with the demand forecast applicable to each customer country.

While investors welcome our Company's ambition to be net zero by 2050, the next iteration of the Climate Action Transition Plan would be improved by enhanced disclosure of the forward projections for thermal coal production and more frequent reporting against key milestones towards the 2050 net zero ambition.