GLENCORE

NEWS RELEASE
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2022 Half-Year Report

Highlights

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

"Notwithstanding what has clearly been a very complex environment for our markets, our operations, and the world in general, we are pleased to report an exceptional financial performance for Glencore over the period.

"Global macroeconomic and geopolitical events during the half created extraordinary energy market dislocation, volatility, risk, and supply disruption, resulting in record pricing for many coal and gas benchmarks and physical premia, underpinning a $10.3 billion increase (119%) in Group Adjusted EBITDA to $18.9 billion. Marketing Adjusted EBIT more than doubled to $3.7 billion, with energy products the standout, while Industrial Adjusted EBITDA increased $8.4 billion to $15.0 billion period-on-period.

"Allied to the record EBITDA, our net working capital significantly increased during the period, with some $5 billion invested into Marketing, primarily Energy, in line with the materially higher oil, gas and coal prices, and their elevated volatilities. Despite this build, significant cash was generated, which reduced Net debt to $2.3 billion, allowing for today's announcement of $4.5 billion of "top-up" shareholder returns, comprising a $1.45 billion special distribution ($0.11 per share) alongside a new $3.0 billion buyback program (c.$0.23 per share). Today's additional returns lift total 2022 shareholder returns to c.$8.5 billion.

"Looking ahead, tightening financial conditions and a deteriorating macroeconomic environment present some uncertainty for commodity markets through the second half of the year. However, with few short-term solutions to rebalance global energy markets, coal and LNG prices look set to remain elevated during this period, particularly given the current challenge of securing sufficient and reliable energy supply for the Northern hemisphere winter ahead.

"For metals, the outlook is more complex, balancing supply risks, amid labour, water and energy shortages, supply chain disruptions, growing sovereign risk uncertainty and rising costs, against likely weakening end-use markets ex-China. There are some recent signs of China recovering from its Q2 trough, which could help to offset potentially weaker conditions in other key consuming markets.

"The combined strength of our diversified business model across metals and energy industrial and marketing positions has proved itself adept in all market conditions, which should allow us to both successfully navigate the shorter-term challenges that may arise, as well as meet the resource needs of the future. I would like to thank all our employees for their efforts and tremendous contribution during these turbulent times and as always, we remain focused on creating sustainable long-term value for all our stakeholders."

US$ million	**H1 2022**	H1 2021	Change %	2021
Key statement of income and cash flows highlights[1]:				
Revenue	134,435	93,805	43	203,751
Adjusted EBITDA[◊]	18,918	8,654	119	21,323
Adjusted EBIT[◊]	15,415	5,305	191	14,495
Income for the period attributable to equity holders	12,085	1,277	846	4,974
Earnings per share (Basic) (US$)	0.92	0.10	820	0.38
Funds from operations (FFO)[2◊]	15,425	7,310	111	17,057
Cash generated by operating activities before working capital changes, interest and tax	18,290	7,181	155	16,725

US$ million	**30.06.2022**	31.12.2021	Change %
Key financial position highlights:			
Total assets	139,955	127,510	10
Total equity	44,451	36,917	20
Net funding[2,3◊]	27,987	30,837	(9)
Net debt[2,3◊]	2,308	6,042	(62)
Ratios:			
FFO to Net debt[2,3,4◊]	1090.6%	282.3%	286
Net debt to Adjusted EBITDA[3,4◊]	0.07	0.28	(75)

1 Refer to basis of presentation on page 6.
2 Refer to page 10.
3 Includes $585 million (2021: $857 million) of Marketing related lease liabilities.
4 H1 2022 ratios based on last 12 months' FFO and 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 67 for definitions and reconciliations and to note 3 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

ENERGY MARKET VOLATILITY AND HIGH PRICES DRIVE RECORD FIRST HALF EARNINGS

- Elevated energy market dislocation, volatility, risk and supply disruption, led to record prices for many coal and gas benchmarks and physical premia, underpinning a $10.3 billion increase in Group Adjusted EBITDA to $18.9 billion
- Industrial Adjusted EBITDA increased $8.4 billion to $15.0 billion period-on-period, benefitting primarily from record coal prices, augmented by the incremental 66.7% contribution from Cerrejón, acquired in January 2022
- Marketing Adjusted EBIT more than doubled to $3.7 billion, with energy products performing exceptionally well amid the complex, volatile and elevated market risk backdrop, characterised by extreme dislocations and price movements
- We currently expect more normal Marketing conditions to prevail in the second half of the year

INDUSTRIAL UNIT COSTS HIGHER, PRIMARILY DUE TO THE BROAD INFLATIONARY ENVIRONMENT AND LOWER BY-PRODUCT CREDITS

- H1 unit costs were: Copper 54¢/lb, zinc 9¢/lb (48¢/lb ex-gold), nickel (ex Koniambo) 370¢/lb and thermal coal $75.4/t
- Full year estimated unit costs: Copper 93¢/lb, zinc 29¢/lb (63¢/lb ex-gold), nickel (ex Koniambo) 359¢/lb and thermal coal $79.4/t (all including updated by-product credits, as appropriate)
- H1 Industrial capex was $2.0 billion (H1 2021: $1.8 billion); full year guidance unchanged at $5.4 billion

INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF $12.1 BILLION

- Including a $1.5 billion gain on acquiring the remaining 66.67% interest in Cerrejón and disposal of Ernest Henry

STRONG BALANCE SHEET

- Allied to the record EBITDA, our net working capital significantly increased during the period, with some $5 billion invested into Marketing, primarily Energy, in line with the materially higher oil, gas and coal prices, and their elevated volatilities
- Despite the working capital build, significant cash was generated during the half, which reduced Net funding and Net debt to $28.0 billion and $2.3 billion respectively from prior period levels of $30.8 billion and $6.0 billion.
- Period-end Net debt of $2.3 billion allows for "top-up" returns under our shareholder returns framework, where Net debt is managed around a $10 billion cap, with sustainable deleveraging below the cap periodically returned to shareholders
- Announced today "top-up" shareholder returns of $4.5 billion, comprising a $1.45 billion special distribution ($0.11/share) and a $3.0 billion share buyback (c.$0.23 per share)
- Total shareholder returns for 2022 of c.$8.5 billion, including the $3.4 billion base distribution and $0.6 billion buyback announced in February 2022
- Spot illustrative free cash flow generation of c.$18 billion from Adjusted EBITDA of c.$32.3 billion.

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Please refer to the end of this document for disclaimers including on forward-looking statements.

Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that enable decarbonisation while meeting the energy needs of today.

Glencore companies employ around 135,000 people, including contractors. With 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.

Glencore recognises our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement. Our ambition is to be a net zero total emissions company by 2050. In August 2021, we increased our medium-term emission reduction target to a 50% reduction by 2035 on 2019 levels and introduced a new short-term target of a 15% reduction by 2026 on 2019 levels.

CHIEF EXECUTIVE OFFICER'S REVIEW

Notwithstanding what has clearly been a very complex environment for our markets, our operations, and the world in general, we are pleased to report an exceptional financial performance for Glencore over the period.

In our markets, the year began with most commodities in deficit, with prices already having reached record or multi-year-high levels, before global macroeconomic and geopolitical events then emerged to create material market disruption and dislocation. The Russia-Ukraine war, and resulting energy crisis in Europe, lifted LNG and sea-borne thermal coal prices to unprecedented levels, with the average Newcastle high-grade index more than tripling period-on-period, as underinvestment, logistics constraints and bad weather left the supply side unable to adequately respond to the renewed demand.

The resulting cost pressures, together with Russian supply uncertainty, were initially supportive for metals markets. Aluminium and zinc were almost immediately impacted, as various smelters cut production amid soaring energy costs, while demand remained healthy. However, accelerating global inflation, prompting central bank rate rises, together with China's Covid-zero measures, ultimately weighed on sentiment and metals demand and prices through the second quarter. Copper, for example, ended the period 15% lower than the end of 2021, although the energy complex has continued to trade at elevated price and volatility levels into the third quarter.

2022 HALF-YEAR FINANCIAL SCORECARD

The energy market developments noted above were significant drivers for both our marketing and industrial businesses, lifting Group Adjusted EBITDA to $18.9 billion, from $8.7 billion in the prior period. Net income before significant items increased 238% to $10.8 billion, while gains on the acquisition of Cerrejón and disposal of Ernest Henry, were largely responsible for the $1.4 billion increase in Income for the period attributable to equity holders to $12.1 billion.

Marketing posted a record performance, with Adjusted EBIT more than doubling to $3.7 billion, driven primarily by extreme dislocations and price movements across crude oil, LNG, refined products, and logistics infrastructure. The metals Adjusted EBIT contribution was 17% below first half 2021, given the more challenging market conditions towards the end of the period, reflecting global recessionary fears and a Chinese economy still impacted by lockdown restrictions.

Industrial EBITDA surged more than $8.4 billion ($8 billion attributable to coal) to $15.0 billion for the period, benefitting primarily from record prices for our key coal benchmarks and quality categories, enhanced by the incremental contribution from the two-thirds of Cerrejón, acquired in January 2022, that Glencore did not previously own. Strong oil and gas markets also supported our oil E&P assets, with EBITDA lifting more than 200% to $558 million. Our metals industrial business was broadly in line, period over period, with increases in nickel and ferroalloys, cancelling out reductions from copper and zinc.

Our operational performance at some industrial assets was disappointing, primarily related to weather, geological and logistics challenges, as well as continuing Covid-19 impacts, particularly in relation to increased absenteeism. We are confident, however, in being able to deliver an overall improved production performance in the second half of the year.

Allied with the record EBITDA results, particularly in marketing and mostly energy related, our net working capital significantly increased during the period, in line with the materially higher oil, gas and coal prices, and their elevated market volatilities. Marketing accounted for some $5 billion of net working capital investment across 3 key categories:- a) $1.5 billion net increase in physical forward commodity related contracts (which are not margined), b) $1.5 billion net increase in trade receivables / payables, whereby we previously obtained higher than average payment terms from our Russian suppliers, with whom we have ceased doing any new business and c) $2 billion net increase in net margins calls paid, in excess of the movement in current financial assets / liabilities (our derivative commodity related contracts / hedging instruments, excluding physical forwards). The various commodity exchanges significantly increased their initial margining requirements during the period, resulting in the posting of an additional $2 billion from $1.9 billion to $3.9 billion. The additional investment in working capital should be considered in the context of a 344% increase in Energy Marketing EBIT from $672 million to $2,986 million.

Despite the working capital build, significant cash was generated during the half, which reduced Net funding and Net debt to $28.0 billion and $2.3 billion respectively from the prior period levels of $30.8 billion and $6.0 billion, allowing for "top-up" returns under our shareholder returns framework.

SHAREHOLDER RETURNS

In line with our distribution policy on "top-up" shareholder payments, I am pleased to announce additional returns of $4.5 billion, lifting total shareholder returns this year to $8.5 billion. This "top-up" payment will be affected by way of a $1.45 billion special distribution and a new $3.0 billion buyback program that will run until release of our full year results in February next year. The special distribution of $0.11 cents per share will be paid alongside the $0.13 cents per share second tranche of the Base Distribution on the 22 September.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The safety and security of our workforce and communities living around our assets are a priority recognised across all our operational activities. Our ambition is to prevent fatalities, occupational diseases and injuries wherever we operate. Unfortunately, we recorded the loss of two lives at Glencore's managed operations in year to date. We continue to believe that we can and must eliminate all fatalities and will continue to drive the management of safety across the business to achieve this objective.

Glencore resolved the previously disclosed investigations by authorities in the United States, the United Kingdom and Brazil during the period. These investigations into past activities in certain Group businesses related to bribery, and separate US investigations related to market manipulation.

We acknowledge the misconduct identified in these investigations and have cooperated with the authorities. This type of behaviour has no place in the Glencore of today, and the Board, management team and I are very clear about the culture that we want and our commitment to be a responsible and ethical operator wherever we work. We have taken significant action towards building and implementing a world-class Ethics and Compliance Programme to ensure that our core controls are effective, and our culture is entrenched in every corner of our business.

The Group has bolstered its compliance structures and controls through a comprehensive programme built around risk assessment, policies, procedures, standards and guidelines based on international best practice, associated training and awareness initiatives as well as monitoring systems. We are committed to transparency and this year published our first dedicated Ethics and Compliance report, providing a detailed overview of Glencore's Ethics and Compliance Programme, including a summary of its approach, compliance structure and the various systems and processes that Glencore implements to support its programme and promote an ethical culture.

Glencore continues to cooperate with a 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 a previously disclosed investigation of similar scope by the Dutch Public Prosecution Service. The timing and outcome of these investigations remain uncertain.

We are pleased to have appointed Liz Hewitt as an Independent Non-Executive Director to the Board last month. Liz brings more than 30 years of extensive business, financial and investment experience and we look forward to benefiting from her insights and contribution as a director.

LOOKING AHEAD

It has been our strong belief that the world's decarbonisation pathways will be non-linear through time and across geographies. Europe's energy crisis, amongst others, has highlighted a growing gap between an overly accelerated decline of fossil fuel base load generating capacity and the current and nearer-term capabilities of variable renewable energy sources and associated infrastructure around the world. We remain convinced that our responsible coal decline strategy, together with our current position and further investment into key transition metals, such as copper, nickel, cobalt and related recycling, is critical to meeting the energy needs of today while helping to support an orderly energy transition as countries around the world pursue their distinctive decarbonisation strategies and pathways. We have had constructive conversations to date on our Climate Transition Action Plan and will continue to engage with shareholders so as to ensure their views are fully understood.

With few short-term solutions to rebalance global energy markets, coal and LNG prices look set to remain elevated over the second half of the year, particularly given the current challenge of securing sufficient and reliable energy supply for the Northern hemisphere winter ahead.

For the metals, the outlook is more complex, balancing supply risks, amid labour, water and energy shortages, supply chain disruptions, growing sovereign risk uncertainty and rising costs, against likely weakening end-use markets ex-China. There are some recent signs of China recovering from its Q2 trough, which could help to offset potentially weaker conditions in other key consuming markets.

The combined strength of our diversified business model across metals and energy industrial and marketing positions has proved itself adept in all market conditions, which should allow us to both successfully navigate the shorter-term challenges that may arise, as well as meet the resource needs of the future. I would like to thank all our employees for their efforts and tremendous contribution during these turbulent times and as always, we remain focused on 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 ◊ and are further defined and reconciled to the underlying IFRS measures in the APMs section on page 67.

MARKET CONDITIONS

Select average commodity prices

	Spot 30 Jun 2022	Spot 31 Dec 2021	**Average H1 2022**	Average H1 2021	Change in average %
S&P GSCI Industrial Metals Index	438	499	534	433	23
S&P GSCI Energy Index	370	252	350	208	68
LME (cash) copper price ($/t)	8,254	9,741	9,759	9,089	7
LME (cash) zinc price ($/t)	3,183	3,590	3,819	2,831	35
LME (cash) lead price ($/t)	1,904	2,338	2,261	2,069	9
LME (cash) nickel price ($/t)	22,643	20,881	27,659	17,470	58
Gold price ($/oz)	1,807	1,829	1,876	1,806	4
Silver price ($/oz)	20	23	23	27	(15)
Metal Bulletin cobalt standard grade, in-warehouse Rotterdam ($/lb)	32	34	37	21	76
Ferro-chrome 50% Cr import, CIF main Chinese ports, contained Cr (¢/lb)	114	114	116	97	20
Iron ore (Platts 62% CFR North China) price ($/DMT)	117	113	130	178	(27)
Coal API4 ($/t)	353	126	277	98	183
Coal Newcastle (6,000) ($/t)	403	166	321	99	224
Oil price – Brent ($/bbl)	115	78	102	65	57

Currency table

	Spot 30 Jun 2022	Spot 31 Dec 2021	**Average H1 2022**	Average H1 2021	Change in average %
AUD : USD	0.69	0.72	0.72	0.77	(6)
USD : CAD	1.29	1.26	1.27	1.25	2
EUR : USD	1.05	1.14	1.10	1.20	(8)
GBP : USD	1.22	1.35	1.30	1.39	(6)
USD : CHF	0.96	0.91	0.94	0.91	3
USD : KZT	470	435	450	424	6
USD : ZAR	16.28	15.94	15.40	14.54	6

FINANCIAL RESULTS

Amid extraordinary energy market dislocation and supply disruption during the period, resulting in record prices for various coal and gas benchmarks and related physical market premiums, our energy industrial assets reported significantly improved margins, driven by such higher commodity prices. Marketing (notably in oil and gas) similarly performed exceptionally well, amid the complex and elevated market risk backdrop, which exhibited extreme levels of market volatility during the period. Combining these outcomes, income for the period attributable to equity holders increased from $1,277 million in H1 2021 to $12,085 million in H1 2022, and is after recognising various significant items discussed below. EPS increased from $0.10 per share to $0.92 per share.

The conditions in H2 2021, characterised by post-Covid commodity demand recovery and numerous supply chain shocks and constraints, initially continued into 2022. The onset of the Russia/Ukraine war accelerated energy price inflation, which ultimately contributed to an acceleration in central banks' actions during the period to raise interest rates and temper aggregate economic demand. We saw average period-over-period price increases in copper, cobalt, nickel, zinc and coal (Newc) of 7%, 76%, 58%, 35% and 224% respectively, although metals prices eased materially towards the end of the period. Overall, and reflecting the surge in energy prices and conducive market conditions, Adjusted EBITDA was $18,918 million and Adjusted EBIT was $15,415 million in H1 2022, increases of 119% and 191% respectively compared to H1 2021. The positive impact of the higher prices on Adjusted EBITDA was somewhat tempered by cost inflation. Overall production was mixed period-over-period, reflecting portfolio disposals (Ernest Henry (copper/gold) and Bolivia zinc assets) and geotechnical and processing challenges at Katanga, offset by improved cobalt, nickel and ferrochrome production levels and the additional contribution from Cerrejón. Adjusted EBITDA mining margins were 43% in our metal operations and 66% in our energy operations, compared to 44% and 26% respectively during H1 2021. See pages 18 and 19.

Adjusted EBITDA/EBIT◊

Adjusted EBITDA by business segment is as follows:

	H1 2022			H1 2021			
US$ million	Marketing activities	Industrial activities	Adjusted EBITDA	Marketing activities	Industrial activities	Adjusted EBITDA	Change %
Metals and minerals	1,013	5,877	6,890	1,232	5,891	7,123	(3)
Energy products	3,177	9,465	12,642	875	1,091	1,966	543
Corporate and other[1]	(303)	(311)	(614)	(62)	(373)	(435)	41
Total	**3,887**	**15,031**	**18,918**	**2,045**	**6,609**	**8,654**	**119**

Adjusted EBIT by business segment is as follows:

	H1 2022			H1 2021			
US$ million	Marketing activities	Industrial activities	Adjusted EBIT	Marketing activities	Industrial activities	Adjusted EBIT	Change %
Metals and minerals	985	3,969	4,954	1,185	3,905	5,090	(3)
Energy products	2,986	8,124	11,110	672	(13)	659	1,586
Corporate and other[1]	(303)	(346)	(649)	(62)	(382)	(444)	46
Total	**3,668**	**11,747**	**15,415**	**1,795**	**3,510**	**5,305**	**191**

1 Corporate and other Marketing activities includes $284 million (2021: $196 million) of Glencore's equity accounted share of Viterra.

Marketing activities

Marketing delivered record results, successfully navigating the elevated levels of market volatility, disruption, rapidly and materially changing underlying commodity flows, and a constant reassessment of forward-looking supply and demand scenarios, particularly relating to energy markets, as noted above. Marketing Adjusted EBITDA and EBIT, at $3,887 million and $3,668 million respectively, was higher by 90% and 104% compared to H1 2021, driven by our oil and gas department, as it capitalised on the exceptional price movements and dislocations across crude oil, LNG, refined products and logistics infrastructure. Metals and minerals Adjusted EBIT was down 17% over H1 2021, due to the more challenging market conditions towards the end of the period, reflecting growing global recessionary fears and a Chinese economy still being impacted by lockdown restrictions.

During the period, agricultural markets also saw record prices and volatility in many of its commodities, such that Viterra reported an EBITDA and Net Income of $1.1 billion and $0.6 billion respectively. Our 50% share of earnings (captured within Corporate and Other) was $284 million (post-interest and tax) compared to $196 million in the comparable period.

Industrial activities

Industrial Adjusted EBITDA increased by 127% to $15,031 million (Adjusted EBIT was $11,747 million, compared to $3,510 million in 2021), driven by an $8.0 billion increased contribution from our Coal operations, owing to the significant average period-over-period increases in key pricing benchmarks (each broadly tripling), as well as the incremental contribution from the two-thirds of Cerrejón, acquired in January 2022, that Glencore did not previously own.

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 2022**	H1 2021
Adjusted EBIT◊	15,415	5,305
Net finance and income tax expense in relevant material associates and joint ventures[1]	(366)	(566)
Proportionate adjustment Volcan[1]	70	80
Net finance costs	(596)	(598)
Income tax expense[2]	(3,633)	(1,001)
Non-controlling interests	(41)	(7)
Income attributable to equity holders of the Parent pre-significant items◊	**10,849**	**3,213**
Earnings per share (Basic) pre-significant items (US$)[3]◊	0.82	0.24
Significant items◊		
Share of Associates' significant items[4]	–	(11)
Movement in unrealised inter-segment profit elimination[5]	488	(83)
Gain/(loss) on acquisitions and disposals of non-current assets[6]	1,463	(969)
Other expense – net[7]	(502)	(282)
Reversal of impairments/(impairments)[8]	40	(862)
Income tax expense[2]	(284)	(68)
Non-controlling interests' share of significant items[9]	31	339
Total significant items	**1,236**	**(1,936)**
Income attributable to equity holders of the Parent	**12,085**	**1,277**
Earnings per share (Basic) (US$)	0.92	0.10

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 notes 8 and 12 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 2022, Glencore recognised a net income, after tax and non-controlling interests, of $1,236 million (2021: expense of $1,936 million) in significant items comprised primarily of:

- Movement in unrealised inter-segment profit elimination of $488 million (2021: loss of $83 million). See note 3.
- Gain on acquisitions and disposals of non-current assets of $1,463 million (2021: loss of $969 million) primarily related to the gains recognised on acquisition of the remaininig 66.67% interest in Cerrejón ($1,029 million) and the disposal of Ernest Henry ($512 million). The 2021 loss resulted from the required accounting recycling to the statement of income of Mopani's non-controlling interests upon disposal. See note 5.
- Other net income/(expense) – net expense of $502 million (2021: $282 million) see note 6. Balance primarily comprises:
  - $290 million (2021: $161 million) of net foreign exchange losses, whereas 2022 primarily relates to realised foreign currency losses, recycled from other comprehensive income, recognised on intragroup restructuring.
  - $153 million (2021: $216 million) relating to various legal matters and related costs (legal, expert and compliance), including in respect of the ongoing investigations (see note 27).
  - $83 million (2021: $Nil) of closed site rehabilitation costs, being the movements in restoration, rehabilitation and decommissioning estimates related to sites that are no longer operational.
- Reversals of impairments of $40 million (2021: impairments of $862 million), see note 8. The net impact, after income taxes and non-controlling interests was $46 million (2021: $520 million). As a result of significantly improved conditions in the oil and gas markets, particularily over the short-term, various impairment reversals were recognised, none of which were individually material. The 2021 impairment related primarily to the Koniambo operations ($625 million), advances and loans ($116 million) and long outstanding VAT claims ($101 million).
- Income tax expenses of $284 million (2021: $68 million) – see income taxes below.

Net finance costs

Net finance costs were $596 million during H1 2022, consistent with $598 million in the comparable reporting period. Interest expense for 2022 was $736 million, up 13 % compared to H1 2021 , due to higher average base benchmark floating rates (now mainly SOFR). Interest income was $140 million, up from $54 million in H1 2021, due also to higher average base rates and the level of advances outstanding (see note 7).

Income taxes

An income tax expense of $3,917 million was recognised during H1 2022, compared to an expense of $1,069 million during H1 2021. Adjusting for a $284 million income tax expense (2021: $68 million) relating to significant items (primarily on account of foreign exchange fluctuations and tax losses not recognised), the H1 2022 pre-significant items income tax expense was $3,633 million (2021: $1,001 million). The 2022 calculated effective tax rate, pre-significant items, was 27.9%, compared to 33.0% in H1 2021.

STATEMENT OF FINANCIAL POSITION

Current and non-current assets

Total assets were $139,955 million as at 30 June 2022, compared to $127,510 million as at 31 December 2021. Current assets increased from $57,776 million to $71,080 million, due primarily to an increase 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 higher commodity prices at period end relative to 31 December 2021 or the underlying transactions dates, as the case may be. Non-current assets decreased from $69,734 million to $68,875 million, primarily due to $609 million of asset values reclassified to held for sale (see note 16) and mark-to-market losses recognised on other investments (see below and note 12), offset by a net increase in property, plant and equipment following the acquisitions during the period (see note 23), more than offsetting capital expenditure over the period being below depreciation and amortisation expense.

Current and non-current liabilities

Total liabilities were $95,504 million as at 30 June 2022, compared to $90,593 million as at 31 December 2021. Current liabilities increased from $49,459 million to $57,214 million, primarily due to an increase in accounts payable and fair values of our physical forward contracts and derivative hedging instruments (other financial liabilities), on account of the higher commodity prices noted above, the accrual of the second tranche of our earlier approved shareholder distribution and an increase in current borrowings (see note 20). Non-current liabilities decreased from $41,134 million to $38,290 million, primarily due to a decrease of non-current borrowings (see note 20).

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 $44,451 million as at 30 June 2022, compared to $36,917 million as at 31 December 2021, the movements being primarily the income for the period of $12,095 million, including non-controlling interests and a decrease in other comprehensive income noted below, offset by shareholder distributions and buybacks ($3,456 million) concluded during the period.

Other comprehensive income/(loss)

A loss of $641 million was recognised during H1 2022, compared to an income of $342 million during H1 2021, relating to net mark-to-market losses of $1,139 million (2021: $19 million gain) with respect to various minority investments, comprising mainly our holdings in EN+ and Rosneft (see note 12) and foreign exchange translation of foreign operations of $188 million (2021: $201 million gain), primarily our South African ZAR-denominated subsidiaries, offset by foreign exchange losses recycled to the statement of income of $509 million (2021: $Nil) and net defined benefit plan remeasurements of $115 million (2021: 136 million).

Cash flow and net funding/debt

Net funding

US$ million	**30.06.2022**	31.12.2021
Total borrowings as per financial statements	30,741	34,641
Proportionate adjustment – net funding[2]	(118)	(563)
Cash and cash equivalents	(2,636)	(3,241)
Net funding◊	**27,987**	**30,837**

Cash and non-cash movements in net funding

US$ million	**H1 2022**	H1 2021	H2 2021
Cash generated by operating activities before working capital changes	18,290	7,181	9,544
Proportionate adjustment – Adjusted EBITDA[1]	1,236	1,650	1,969
Non-cash adjustments included within EBITDA	11	3	(3)
Net interest paid[1]	(465)	(434)	(419)
Tax paid[1]	(3,735)	(1,104)	(1,572)
Dividends received from associates[1]	88	14	228
Funds from operations◊	**15,425**	**7,310**	**9,747**
Net working capital changes[2]	(8,725)	(536)	(4,753)
Increase in long-term advances and loans	(200)	–	–
Acquisition and disposal of subsidiaries – net[2]	762	–	252
Purchase and sale of investments – net[2]	(164)	161	(53)
Purchase and sale of property, plant and equipment – net[2]	(2,044)	(1,767)	(2,035)
Margin payments in respect of financing related hedging activities	(1,389)	(372)	(598)
Proceeds received on acquisition of non-controlling interests in subsidiaries	–	–	10
Distributions paid and transactions of own shares – net	(2,164)	(1,077)	(1,947)
Cash movement in net funding	**1,501**	**3,719**	**623**
Net funding acquired in business combinations	(20)	–	–
Change in lease obligations	(149)	(620)	(295)
Foreign currency revaluation of borrowings and other non-cash items	1,518	475	689
Total movement in net funding	**2,850**	**3,574**	**1,017**
Net funding◊, beginning of period	(30,837)	(35,428)	(31,854)
Net funding◊, end of period	**(27,987)**	**(31,854)**	**(30,837)**
Less: Readily marketable inventories[1]	25,679	21,230	24,795
Net debt◊, end of period	**(2,308)**	**(10,624)**	**(6,042)**

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 2022 decreased by $2.9 billion to $27,987 million and net debt (net funding less readily marketable inventories) decreased by $3.7 billion over the period to $2,308 million, as funds from operations of $15,425 million exceeded the $2,044 million of net capital expenditure, $2,164 million of distributions to shareholders and non-controlling interests and purchase of own shares and $7.8 billion in non-RMI working capital outflows, including a $0.7 billion increase in non-RMI inventories, a $0.7 billion reduction in deferred income, $0.3 billion paid during the period towards settlement of the various legal investigations (see note 21), a $1.5 billion net increase in trade receivables / payables (see notes 15 and 22), a $1.5 billion net increase in physical forward commodity related contracts (see note 25) and a $2 billion net increase in net margins calls paid, in excess of the movement in current financial assets / liabilities (our derivative commodity related contracts / hedging instruments, excluding physical forwards) (see notes 15 and 25), whereby the various commodity exchanges significantly increased their initial margining requirements during the period, resulting in the posting of an additional $2 billion from $1.9 billion to $3.9 billion. The latter 3 categories, aggregating to some $5 billion, substantially relate to our Energy marketing activities (oil, gas and coal), whereby the additional investment in working capital, should be considered in the context of a 344% increase in Energy Marketing EBIT from $672 million to $2,986 million.

Business and investment acquisitions and disposals

Net inflows from business acquisitions were $598 million over the period, compared to an inflow of $161 million in H1 2021, mainly comprising proceeds from the sale of Ernest Henry for $584 million. The net inflow in 2021 comprises various disposals of a number of minority interest investments, none of which were individually material. In May, Glencore subscribed for $200 million of convertible debt in Li-Cycle, a leading lithium-ion battery recycler in North America (see note 13).

Liquidity and funding activities

In March 2022 (effective May 2022), Glencore refinanced its short-term revolving credit facility. As at 30 June 2022, the overall facilities comprise:

- a $6,572 million one-year revolving credit facility with a one-year borrower's term-out option (to May 2023)
- a $450 million medium-term revolving credit facility (to May 2025); and
- a $4,200 million medium-term revolving credit facility (to May 2026).

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 2022, Glencore had available committed liquidity amounting to $12,546 million (31 December 2021: $10,296 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 (stable) from Moody's and BBB+ (stable) 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 an 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 2021 Annual Report on pages 68 to 84, available at www.glencore.com, remain appropriate for the remainder of 2022, 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.
2. 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.
3. Geopolitical, permits and licences to operate	We operate in many countries across the globe. Regulatory regimes applicable to resource companies can often be subject to adverse and short-term changes.
4. Laws and enforcement	Some of our existing industrial and marketing activities are located in countries that are categorised as developing or as having challenging political or social climates or where the legal system is uncertain, and/or where corruption is generally understood to exist, and therefore there will always be residual risk in relation to our compliance with laws and external requirements.
5. 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.
6. Counterparty credit and performance	We are subject to non-performance risk by our suppliers, customers, and hedging counterparties, in particular via our marketing activities.
7. Operating	Our industrial activities are subject to a level of significant residual risk throughout each operation's life cycle, from initiation through development, operation and/or expansion and ultimate closure.
8. Cyber	A cyber security breach, incident or failure of Glencore's IT systems could disrupt our businesses, put employees at risk, result in the disclosure of confidential information, damage our reputation, and create significant financial and legal exposure for the Group.
9. Health, Safety, Environment	Industrial operations are inherently dangerous. Catastrophic events that take place in the natural resource sector can have disastrous impacts on workers, communities, the environment, and corporate reputation, as well as a substantial financial cost
10. Climate change	Climate change is a material issue that can affect our business through regulations to reduce emissions, carbon pricing mechanisms, extreme climatic events, access to capital, permitting risks and fluctuating energy costs, as well as changing demand for the commodities we produce and market.
11. 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.

Russia/Ukraine war

In February 2022, the Russian government commenced a war against the people of Ukraine, resulting in a humanitarian crisis and significant disruption to financial and commodity markets. As noted in our announcements on 1 March 2022 and 30 March 2022, we have no operational footprint in Russia, and our trading exposure is not material. Glencore holds a 10.55% stake in EN+ and a 0.57% investment in Rosneft. Following completion of a review of these equity stakes, we concluded that there is no realistic way to exit these stakes in the current environment. Glencore has no Board or Management representation at En+ or Rosneft. As described in note 12, on the basis that their fair value is not materially different to $Nil, both equity interests were written down to $Nil with the corresponding combined negative mark-to-market adjustment of $1,274 million being recognised in other comprehensive income.

GOING CONCERN

As at 30 June 2022, Glencore had available committed liquidity amounting to $12,546 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 21 and 27) and the Company continues to cooperate with the various authorities. The timing and outcome of the various 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 all markets and commodities and risk measures can be aggregated to derive a single risk value. Given 2021's elevated implied market volatilities, together with statistically higher commodity correlations and the nature / extent (e.g. increased size and tenor of the LNG business) of transaction volumes, the Board approved an increase in the VaR limit in H2 2021, initially to $130 million on a temporary basis and then $150 million going forward, with effect from 1 January 2022.

Prior to the Russia/Ukraine conflict, Glencore operated within the $150 million limit. Around the time of the invasion, the Group's VaR spiked due to the unprecedented levels of volatility in commodity markets (primarily energy but also certain metals), rather than due to any change in the Group's marketing positions or trading strategies. Given the market backdrop, prior to any likely breach, the Chief Risk Officer proactively consulted with the Board and received a temporary waiver from the application of a Group VaR limit. During the waiver period, the CRO reported regularly to the Board. In mid-May, as some non-energy markets started to normalise, the temporary waiver was rescinded and replaced with a temporary VaR limit of $200 million, to account for the statistically elevated energy market risk environment. This new (likely) temporary limit represents less than 0.5% of equity and is scheduled to be reviewed on a regular basis by the Board.

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 2022 was $138 million, with an observable high of $351 million and a low of $66 million, while the average equivalent VaR during H1 2021 was $43 million. The Group's market risk VaR (one day 95%) as at 30 June 2022 was $131 million.

SHAREHOLDER RETURNS

Earlier in 2022, the Directors recommended a cash distribution, in respect of the 2021 financial year, of $0.26 per share amounting to some $3.4 billion, accounting for own shares held as at 31 December 2021, which was approved at the Company's AGM. The first tranche of the distribution of $0.13 per ordinary share amounting to $1,707 million was paid on 20 May 2022. The second tranche of $0.13 per ordinary share is due on 22 September 2022, in accordance with the Company's announcement of the 2022 Distribution timetable made on 16 March 2022.

The Directors have now declared a further cash distribution of $0.11 per ordinary share, amounting to $1.45 billion, to be paid concurrently with the $0.13 per ordinary share second tranche of the previously approved distribution. The Company will also conduct a buy-back of its own shares to the value of up to $3.0 billion, with intended completion by the time of the Group's full year results announcement in February 2023.

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 2022, Glencore plc had CHF 21 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

Liz Hewitt was appointed as Independent Non-Executive Director on 18 July 2022.

MARKETING ACTIVITIES

HIGHLIGHTS

Marketing Adjusted EBIT of $3,668 million was 104% higher than in H1 2021, reflecting successful navigation of the extraordinary global challenges faced during the period, wherein Glencore was a source of continuous and reliable commodity supply to our vast customer base.

The Russian invasion of Ukraine in February 2022, with swift imposition of sanctions on many key commodities and physical and financial infrastructure, led to significant upheaval, uncertainty and ultimately realignment of global trade flows, most notably in the energy complex. Energy prices were already at elevated levels before the conflict, reflecting resurgent demand, tight supply and reducing inventories. Already challenged oil and gas markets responded accordingly, with prices (both absolute and in relation to quality and location differentials) reaching multi-year highs or records in many cases. European coal imports were materially higher during the half, reflecting substitution for gas, at the same time as supply was limited by an Indonesian export ban earlier in the year and weather disruptions in Australia, South Africa and Colombia.

Against this challenging and elevated risk backdrop, as evidenced by our Value at Risk analysis discussed on page 13, our Marketing segment's financial performance continued to be supported by periods of heightened to extreme levels of market volatility, supply disruption and tight physical market conditions, particularly relating to global energy markets. Adjusted EBIT from the Energy products business was $3.0 billion.

Adjusted EBIT from the Metals and minerals business was $200 million (17%) lower than H1 2021, reflecting more challenging market conditions towards the end of the period as noted below.

Viterra (reported within corporate and other) contributed $284 million on an attributable, after-tax basis, which was $88 million (45%) higher than in H1 2021.

The resulting H1 2022 Adjusted EBIT exceeded the top end of our long-term, through the cycle Adjusted EBIT annual guidance range of $2.2-3.2 billion per annum. We currently expect more normal market conditions to prevail in the second half of the year.

US$ million	**Metals and minerals**	**Energy products**	**Corporate and other**[1]	**H1 2022**	Metals and minerals	Energy products	Corporate and other[1]	H1 2021
Revenue◊	44,431	71,298	–	115,729	36,956	46,963	–	83,919
Adjusted EBITDA◊	1,013	3,177	(303)	3,887	1,232	875	(62)	2,045
Adjusted EBIT◊	985	2,986	(303)	3,668	1,185	672	(62)	1,795
Adjusted EBITDA margin◊	2.3%	4.5%	n.m.	3.4%	3.3%	1.9%	n.m.	2.4%

1 Corporate and other Marketing activities includes $284 million (H1 2021: $196 million) of Glencore's equity accounted share of Viterra.

Selected marketing volumes sold

	Units	**H1 2022**	H1 2021	Change %
Copper metal and concentrates[1]	mt	1.7	1.6	6
Zinc metal and concentrates[1]	mt	1.3	1.4	(7)
Lead metal and concentrates[1]	mt	0.4	0.5	(20)
Gold	toz	979	922	6
Silver	toz	35,657	34,092	5
Nickel	kt	186	93	100
Ferroalloys[2]	mt	4.6	4.9	(6)
Alumina/aluminium	mt	5.2	4.8	8
Iron ore	mt	30.7	25.7	19
Thermal coal[2]	mt	35	31	11
Metallurgical coal[2]	mt	1.7	1.8	(6)
Crude oil	mbbl	302	377	(20)
Oil products	mbbl	279	350	(20)

1 Estimated metal unit contained.

2 Includes agency volumes.

COPPER

Having started the year marginally below $10,000/t, strong demand, continued supportive financial conditions, low levels of refined stocks and limited mine supply growth, supported prices reaching a record high of $10,845/t in March. The onset of the war in Ukraine, the start of fiscal tightening measures in the U.S and Covid-19 outbreaks in China, had only limited impact on demand and metals prices until late April. As concerns developed over decelerating consumption growth in North America and Europe, and uncertainty on the outlook for China, speculative positioning moved from net-long to the largest net-short in recent years, and financial flows continued to support US dollar appreciation. Prices deteriorated rapidly through the latter part of H1 2022, ending the period at $8,258/t, having averaged $9,759/t over the half, with further declines in July.

North American and European cathode premiums reached multi-year highs during H1 2022, with generally healthy order books, although order intake growth slowed. In Europe, premiums were further supported by extensive smelter maintenance and logistics limitations, due to the war. Spot smelter treatment and refining charges moved higher during the period, as the smelting sector in China also began seasonal maintenance in April, together with the expectation of a progressive increase in mine supply during 2022. Treatment and refining charges have since tightened, with increasing competition for clean concentrates, given unplanned outages and production impacts at mines across Chile and Peru during H1 2022.

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 will be dependent on the outlook for fiscal tightening measures, the impact of the war and actions taken by China to control Covid-19 outbreaks. In the longer term, demand growth will be driven by population growth and rising living standards in emerging economies, supported by climate change policies and action which are expected to be a key driver for copper growth sectors, given its crucial role in accelerating the clean energy transition, from renewable power generation and distribution, to energy storage and electric vehicles (EVs).

COBALT

The cobalt metal price averaged $36.90/lb in H1 2022, significantly higher than 2021, commencing the year at $33.50/lb, before rallying 19% through Q1 to reach a high of $39.75/lb in late April. Encouragingly, several metal demand segments exhibited post-Covid recovery, most notably the important aerospace sector in key regions. However, prices progressively cooled from May, reaching $32.25/lb by end June, as weaker demand in China due to Covid lockdowns, impacted the broader cobalt complex, together with global recessionary concerns dampening sentiment.

Cobalt hydroxide payables commenced the year at 88-90%, on the back of strong lithium-ion battery demand from both EV and non-EV applications. However, the Chinese Covid lockdowns led to significant reductions in battery supply chain capacity utilisation, pressuring cobalt sulphate prices, in turn pushing hydroxide payables progressively lower through Q2. Recessionary concerns, notably within non-EV applications, exacerbated the cobalt sulphate weakness and payables reduced to 66% by the end of June.

Momentum in the EV sector remains strong, supported by the strategic mandates of major economies and vast investment by key automakers, while adoption appetite within key consuming regions continues to grow. Although the required quantity of cobalt per kWh is diminishing, this demand headwind is expected to be outstripped by the rate of EV sales growth, supporting strong cobalt demand. Long-term cobalt fundamentals remain sound. In the near-term, demand fundamentals will reflect the competing forces of growing global recessionary fears and the potential easing of Chinese lockdown restrictions.

ZINC

Despite macro headwinds, the zinc price was resilient in H1 2022, largely due to supply disruptions ex-China. The average zinc price increased by 35% from $2,832/t in H1 2021 to $3,819/t in H1 2022. Most fundamental indicators continue to point to tight market conditions, particularly in the West. Spot metal premiums reached new highs of c.$800/t in the US and c.$500/t in the EU, in part reflecting actual and prospective production cuts due to high energy prices. Zinc spreads indicate tight spot availability, also evidenced by low exchange metal inventories at approximately 6 days of global consumption.

The 2022 annual benchmark treatment terms between mines and smelters were agreed at $230/dmt (2021: $159/dmt), supported by a combination of expected greater mine supply and higher energy costs in Europe. However, global metal supply is now expected to be flat year-on-year, compared to initial forecasts of c.0.3Mt.

Key demand-side risks for the balance of 2022 are inflation, China's zero-Covid policy and the duration / outcome of the Russia-Ukraine conflict. On the supply side, the current energy supply and price environment poses a significant threat, as Europe accounts for around 30% of ex-China metal production.

The lead market displayed similar trends as zinc. Average LME price increased to $2,261/mt in H1 2022 (+9% vs H1 2021) and exchange stocks neared historical lows. Annual 2022 benchmark terms for concentrates were agreed at $130/dmt (-4% vs 2021), while spot TCs (currently at $125/dmt) and lead metal premiums stayed at elevated levels in the West, pointing to tight market conditions.

NICKEL

Following strong growth in 2021 (+9%), stainless steel production in China, which accounts for more than half of global primary nickel demand, had a more subdued start to 2022. Production was impacted by extreme volatility in the nickel price and strict lockdown measures imposed by the Chinese Government.

On 8 March, the LME temporarily suspended trading in nickel after prices spiked to unprecedented levels. The rally was driven by short covering, the backdrop of a tight class I market and supply uncertainty caused by the war in Ukraine. Trading resumed on 16 March, although liquidity remains significantly reduced.

In contrast to tight supply in the class I market, supply of class II nickel continued to increase, particularly in Indonesia where record production of Nickel Pig Iron was achieved. This oversupply resulted in increasing discounts relative to class I. Despite overall nickel supply growing faster than demand, production of high-grade units outside Indonesia remains constrained.

FERROALLOYS

Ferrochrome production in China increased by 20% year-over-year during H1, outpacing domestic demand and putting pressure on pricing towards the end of Q2. An increase in Chinese chrome ore consumption, exacerbated by logistical constraints out of South Africa, led to a 40% decrease in Chinese port stocks between June 2021 and June 2022, contributing to a 48% increase in chrome ore prices year-over-year.

Vanadium prices increased by 27% during H1 2022, due to supply and logistical constraints, coupled with concerns over potential supply disruption of vanadium from Russia. Vanadium consumption remained steady, supported by the post-pandemic recovery.

IRON ORE

Chinese domestic steel demand was weak throughout H1, primarily due to the ongoing impact of China's zero-Covid policies. Despite some Government stimulus, the real estate sector has not recovered from last year's tightening and monitoring of developers' debt levels. Ex-China, inflation, supply chain issues and broader recession fears have weighed on order books, whilst steel production remained at relatively high levels, resulting in a global surplus, with steel prices pressured accordingly. Iron ore demand was relatively strong in H1, but with pressure on steelmaking margins increasing, mills moved to lower-value / lower-utilisation feed. Toward the end of H1, iron ore supply increased at the same time as steel production decreased, and prices reduced further.

ALUMINIUM

Like some other base metals, the aluminium market experienced a turbulent H1 2022. Backed by strong demand, a deteriorating supply picture owing to high energy costs (particularly in Europe) and the threat of Russian sanctions, the LME aluminium three-month price rallied 24% in Q1, peaking at an all-time high of $4,074/t. Thereafter, a major reversal started. Metal exports from Russia were largely undisrupted, while increasing net China exports, Covid-19 China lockdowns and worldwide inflation, all contributed to a 40% decline in price, reaching a low of $2,446/t by the end of June.

Alumina prices in H1 2022 showed a similar price pattern. Uncertainty around the impacts of Chinese environmental controls, the closure of the Mykolaiv alumina plant and Rusal sanctions risk, drove prices over $500/t (FOB Australia) for the first time in over three years. As some of these key risks declined, prices reduced. The outlook is poised between severe cost pressure (especially in Europe) for refineries, versus supply overhang elsewhere and a closed China import arbitrage window.

COAL

Coal supply disruptions and gas supply shortages were the main factors driving thermal coal prices to record highs during H1 2022. At the end of June 2022, Newcastle, API4, API2 and HCC prices were 143%, 182%, 236% and 9% respectively above December 2021.

During January, Indonesia temporarily banned the export of thermal coal to review producer licences and compliance with their domestic supply obligations, reducing January Indonesian export supply year-over-year by 23.5Mt, during a period of seasonally strong demand. During February, the Australian East coast was impacted by heavy rains, disrupting production and export supply chains, resulting in the lowest first half Australian export volumes since 2013, with thermal coal 8Mt lower year-over-year.

Reduced gas supply to Europe, combined with significantly reduced European nuclear generation capacity, raised European thermal coal imports by 123% year-over-year during H1 2022.

Global coking coal supply during H1 2022 declined over 20Mt with significant reductions from Australia, Russia and Mozambique, leading initially to substantial price increases with the March Premium Low Volatility index reaching $593.6/t. Due to weaker global steel demand in Q2, the Premium Low Volatility index declined to $372.4/t by end of June.

OIL

Russia's invasion of Ukraine resulted in the biggest dislocation in global energy markets over the last number of decades. The disruption of energy supplies by one of the world's largest exporters was a critical issue for economies across the world. Oil and gas prices were already rising amidst tightening fundamentals, namely a post-pandemic demand recovery, low and depleting global inventories and supply disruptions. With little buffer against a supply shock, oil prices surged on the invasion, with Brent hitting a multi-year high of $127 per barrel in March. Gas markets were equally affected, causing extreme price volatility throughout the first half of 2022. At peak, the European TTF natural gas benchmark price was c.$70 per mmbtu (31 December 2021: $23 per mmbtu).

Post-invasion oil prices remained elevated and volatile in the $100 to $120 per barrel range for Brent, with the market seeking to price in the unprecedented structural changes in the oil and gas markets.

Finished product prices were further impacted by a surge in global refining margins. Expected supply interruption for US and European refineries' H1 maintenance season was amplified by the disruption of exports from Russia. Meanwhile, refinery run-rates in China reduced due to zero-Covid lockdown measures and lower export quotas. Global refined product balances tightened amidst sustained stock draws, resulting in historically low levels of product inventories worldwide. Refined oil product cracks, in particular transportation fuels, surged to historical highs.

In shipping, long-standing trade patterns were suddenly disrupted by the war, increasing demand for longer haul routes, sending overall freight rates significantly higher.

INDUSTRIAL ACTIVITIES

HIGHLIGHTS

Industrial Adjusted EBITDA increased by 127% to $15,031 million compared to $6,609 million in H1 2021. The increase substantially comprises the higher coal Adjusted EBITDA, on account of the much stronger coal prices during the period, including the incremental contribution of the two-thirds of Cerrejón, acquired in January 2022, that Glencore did not previously own.

Adjusted EBITDA from Metals and minerals assets was in line with the prior period at $5,877 million. Metals production was mixed period-over-period, reflecting portfolio disposals (Ernest Henry (copper/gold) and Bolivia zinc assets) and geotechnical and processing challenges at Katanga, offset by improved cobalt, nickel and ferrochrome production levels. Overall, higher average prices during the period largely offset the financial impact of generally lower production and higher costs.

Adjusted EBITDA from Energy products assets was $9,465 million compared to $1,091 million in the comparable period, driven primarily by the substantially higher prices across the energy complex, as discussed in the Marketing section.

Reflecting the above, Adjusted EBITDA mining margins were 43% (44% in H1 2021) in our metals operations and 66% (H1 2021: 26%) in our energy operations.

Industrial capex at $2.0 billion was 7% higher than the comparable period.

US$ million	**Metals and minerals**	**Energy products**	**Corporate and other**	**H1 2022**	Metals and minerals	Energy products	Corporate and other	H1 2021
Revenue◊	21,206	19,574	3	40,783	20,328	7,344	3	27,675
Adjusted EBITDA◊	5,877	9,465	(311)	15,031	5,891	1,091	(373)	6,609
Adjusted EBIT◊	3,969	8,124	(346)	11,747	3,905	(13)	(382)	3,510
Adjusted EBITDA mining margin◊	43%	66%		54%	44%	26%		38%

Production from own sources – Total[1]

		H1 2022	H1 2021	Change %
Copper	kt	510.2	598.0	(15)
Cobalt	kt	20.7	14.8	40
Zinc	kt	480.7	581.8	(17)
Lead	kt	95.1	117.0	(19)
Nickel	kt	57.8	47.7	21
Gold	koz	334	423	(21)
Silver	koz	12,579	15,984	(21)
Ferrochrome	kt	786	773	2
Coal	mt	55.4	48.7	14
Oil (entitlement interest basis)	kboe	3,132	2,557	22

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.

FINANCIAL INFORMATION H1 2022

US$ million	Revenue◊	Adjusted EBITDA◊	Adjusted EBITDA mining margin[4,5]◊	Depreciation and amortisation	Adjusted EBIT◊	Capital expenditure Sustaining	Capital expenditure Expansionary	Capital expenditure Total
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[2]	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[2]	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[3]	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	(311)		(35)	(346)	–	11	11
Total Industrial activities◊	**40,783**	**15,031**	**54%**	**(3,284)**	**11,747**	**1,685**	**282**	**1,967**

1 Represents the Group's share of these JVs.
2 Mount Isa copper operations (including Townsville) previously recorded under copper department, now managed and reported within the zinc department. Prior year has been restated accordingly.
3 In January 2022, Glencore acquired the remaining 66.67% of Cerrejón. 2021 numbers represent Glencore's 33.33% interest in Cerrejón.

INDUSTRIAL ACTIVITIES

continued

FINANCIAL INFORMATION H1 2021

US$ million	Revenue◊	Adjusted EBITDA◊	Adjusted EBITDA mining margin[4,5]◊	Depreciation and amortisation	Adjusted EBIT◊	Capital expenditure Sustaining	Capital expenditure Expansionary	Capital expenditure Total
Copper assets								
Africa	2,101	910	43%	(252)	658	108	27	135
Collahuasi[1]	1,269	1,051	83%	(144)	907	150	38	188
Antamina[1]	869	696	80%	(155)	541	118	3	121
Other South America	1,243	673	54%	(271)	402	163	11	174
Australia[2]	437	253	58%	(61)	192	69	–	69
Polymet	–	(9)		–	(9)	4	–	4
Custom metallurgical	5,342	234		(78)	156	55	–	55
Intergroup revenue elimination	(137)	–		–	–	–	–	–
Copper	11,124	3,808	60%	(961)	2,847	667	79	746
Zinc assets								
Kazzinc	1,750	641	37%	(220)	421	100	53	153
Australia[2]	1,813	449	25%	(277)	172	51	–	51
European custom metallurgical	1,836	136		(67)	69	22	34	56
North America	961	164		(66)	98	17	2	19
Volcan	–	4		–	4	–	–	–
Other Zinc	332	76	23%	(74)	2	22	–	22
Zinc	6,692	1,470	30%	(704)	766	212	89	301
Nickel assets								
Integrated Nickel Operations	929	433	47%	(200)	233	161	165	326
Australia	305	55	18%	(14)	41	37	–	37
Koniambo	90	(103)	(114%)	(49)	(152)	12	–	12
Nickel	1,324	385	29%	(263)	122	210	165	375
Ferroalloys	1,188	339	29%	(58)	281	44	16	60
Aluminium/Alumina	–	(110)		–	(110)	–	–	–
Iron ore	–	(1)		–	(1)	–	–	–
Metals and minerals	20,328	5,891	44%	(1,986)	3,905	1,133	349	1,482
Coking Australia	459	51	11%	(102)	(51)	45	2	47
Thermal Australia	2,439	687	28%	(673)	14	92	80	172
Thermal South Africa	564	121	21%	(193)	(72)	63	2	65
Cerrejón[3]	219	86	39%	(43)	43	16	–	16
Prodeco	–	(33)		(5)	(38)	–	–	–
Coal (own production)	3,681	912	25%	(1,016)	(104)	216	84	300
Coal other revenue (buy-in coal)	277							
Oil E&P assets	166	91	55%	(51)	40	27	–	27
Oil refining assets	3,220	88	3%	(37)	51	19	–	19
Energy products	7,344	1,091	26%	(1,104)	(13)	262	84	346
Corporate and other	3	(373)		(9)	(382)	–	15	15
Total Industrial activities◊	**27,675**	**6,609**	**38%**	**(3,099)**	**3,510**	**1,395**	**448**	**1,843**

4 Adjusted EBITDA mining margin for Metals and Minerals is Adjusted EBITDA excluding non-mining assets as described below ($5,387 million (H1 2021: $5,463 million)) divided by Revenue excluding non-mining assets and intergroup revenue elimination ($12,611 million (H1 2021: $12,326 million) i.e. the weighted average EBITDA margin of the mining assets. Non-mining assets are the Copper custom metallurgical assets, Zinc European 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.

5 Energy products EBITDA margin is Adjusted EBITDA for coal and Oil E&P (but excluding Oil refining) ($9,350 million(H1 2021: $1,003 million)), divided by the sum of coal revenue from own production and Oil E&P revenue ($14,096 million (H1 2021: $3,847 million)).

PRODUCTION DATA

Production from own sources – Copper assets[1]

		H1 2022	H1 2021	Change %
African Copper (Katanga, Mutanda)				
Copper metal	kt	110.0	138.1	(20)
Cobalt[2]	kt	19.0	13.0	46
Collahuasi[3]				
Copper in concentrates	kt	127.8	145.9	(12)
Silver in concentrates	koz	1,803	2,251	(20)
Gold in concentrates	koz	19	22	(14)
Antamina[4]				
Copper in concentrates	kt	77.2	73.2	5
Zinc in concentrates	kt	72.2	80.2	(10)
Silver in concentrates	koz	2,606	3,135	(17)
Other South America (Antapaccay, Lomas Bayas)				
Copper metal	kt	35.0	32.2	9
Copper in concentrates	kt	73.7	84.0	(12)
Gold in concentrates and in doré	koz	29	52	(44)
Silver in concentrates and in doré	koz	643	630	2
Australia (Cobar, Ernest Henry)[5]				
Copper metal	kt	–	21.9	(100)
Copper in concentrates	kt	18.8	19.2	(2)
Gold	koz	–	39	(100)
Silver	koz	212	305	(30)
Total Copper department				
Copper	**kt**	**442.5**	**514.5**	**(14)**
Cobalt	**kt**	**19.0**	**13.0**	**46**
Zinc	**kt**	**72.2**	**80.2**	**(10)**
Gold	**koz**	**48**	**113**	**(58)**
Silver	**koz**	**5,264**	**6,321**	**(17)**

Production from own sources – Zinc assets[1]

		H1 2022	H1 2021	Change %
Kazzinc				
Zinc metal	kt	67.5	71.0	(5)
Zinc in concentrates	kt	6.4	–	n.m.
Lead metal	kt	9.8	9.2	7
Copper metal[6]	kt	10.3	13.6	(24)
Gold	koz	277	303	(9)
Silver	koz	1,440	1,301	11
Australia (Mount Isa, Townsville, McArthur River)[5]				
Zinc in concentrates	kt	276.0	309.1	(11)
Copper metal	kt	29.0	40.6	(29)
Lead in concentrates	kt	79.9	100.7	(21)
Silver	koz	238	231	3
Silver in concentrates	koz	2,690	3,344	(20)
North America (Matagami, Kidd)				
Zinc in concentrates	kt	39.9	53.2	(25)
Copper in concentrates	kt	16.3	17.6	(7)
Silver in concentrates	koz	749	767	(2)
Other Zinc: South America (Bolivia, Peru)[7]				
Zinc in concentrates	kt	18.7	68.3	(73)
Lead in concentrates	kt	5.4	7.1	(24)
Copper in concentrates	kt	0.7	0.9	(22)
Silver in concentrates	koz	2,108	3,860	(45)
Total Zinc department				
Zinc	**kt**	**408.5**	**501.6**	**(19)**
Lead	**kt**	**95.1**	**117.0**	**(19)**
Copper	**kt**	**56.3**	**72.7**	**(23)**
Gold	**koz**	**277**	**303**	**(9)**
Silver	**koz**	**7,225**	**9,503**	**(24)**

Production from own sources – Nickel assets[1]

		H1 2022	H1 2021	Change %
Integrated Nickel Operations (INO) (Sudbury, Raglan, Nikkelverk)				
Nickel metal	kt	27.7	27.9	(1)
Nickel in concentrates	kt	0.1	0.1	–
Copper metal	kt	7.2	6.6	9
Copper in concentrates	kt	4.2	4.2	–
Cobalt metal	kt	0.3	0.6	(50)
Gold	koz	9	7	29
Silver	koz	90	160	(44)
Platinum	koz	17	16	6
Palladium	koz	50	39	28
Rhodium	koz	2	2	–
Murrin Murrin				
Nickel metal	kt	17.1	13.1	31
Cobalt metal	kt	1.4	1.2	17
Koniambo				
Nickel in ferronickel	kt	12.9	6.6	95
Total Nickel department				
Nickel	**kt**	**57.8**	**47.7**	**21**
Copper	**kt**	**11.4**	**10.8**	**6**
Cobalt	**kt**	**1.7**	**1.8**	**(6)**
Gold	**koz**	**9**	**7**	**29**
Silver	**koz**	**90**	**160**	**(44)**
Platinum	**koz**	**17**	**16**	**6**
Palladium	**koz**	**50**	**39**	**28**
Rhodium	**koz**	**2**	**2**	**–**

Production from own sources – Ferroalloys assets[1]

		H1 2022	H1 2021	Change %
Ferrochrome[8]	kt	786	773	2
Vanadium Pentoxide	mlb	9.9	11.0	(10)

Total production – Custom metallurgical assets[1]

		H1 2022	H1 2021	Change %
Copper (Altonorte, Pasar, Horne, CCR)				
Copper metal	kt	232.0	254.8	(9)
Copper anode	kt	238.2	236.2	1
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)				
Zinc metal	kt	350.9	398.4	(12)
Lead metal	kt	159.0	102.2	56

Coal assets[1]

		H1 2022	H1 2021	Change %
Australian coking coal	mt	3.9	4.1	(5)
Australian semi-soft coal	mt	1.8	2.6	(31)
Australian thermal coal (export)	mt	27.6	25.0	10
Australian thermal coal (domestic)	mt	3.0	2.6	15
South African thermal coal (export)	mt	6.3	7.7	(18)
South African thermal coal (domestic)	mt	2.0	3.1	(35)
Cerrejón[9]	mt	10.8	3.6	200
Total Coal department	**mt**	**55.4**	**48.7**	**14**

Oil assets

		H1 2022	H1 2021	Change %
Glencore entitlement interest basis				
Equatorial Guinea	kboe	2,545	2,029	25
Cameroon	kbbl	587	528	11
Total Oil department	**kboe**	**3,132**	**2,557**	**22**

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 Mount Isa copper operations (including Townsville) previously recorded under copper department moved to zinc department.
6 Copper metal includes copper contained in copper concentrates and blister.
7 South American production excludes Volcan Compania Minera.
8 The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture.
9 2021 numbers represented the Group's pro-rata share of Cerrejón production at 33.3%. Glencore acquired the remaining 66.7% of Cerrejón in January 2022, such that 2022 production is presented on a 100% basis.

OPERATING HIGHLIGHTS

Copper assets

Own sourced copper production of 510,200 tonnes was 87,700 tonnes (15%) lower than H1 2021 due to ongoing geotechnical constraints at Katanga (35,500 tonnes), the basis change arising from the sale of Ernest Henry in January 2022 (21,900 tonnes), Collahuasi mine sequencing (18,100 tonnes) and lower copper units produced within Glencore's zinc business (see below).

African Copper

Own sourced copper production of 110,000 tonnes was 28,100 tonnes (20%) lower than H1 2021, mainly reflecting Katanga's geotechnical constraints in the open pit, and continued management of higher levels of acid-consuming ore. Power instability and increasingly frequent mine intrusions have also impacted operations. Own sourced cobalt production of 19,000 tonnes was 6,000 tonnes (46%) higher than H1 2021, mainly driven by Mutanda's restart in H2 2021.

The operating challenges facing Katanga are expected to continue in the short to medium term, also impacted by land access constraints that Katanga is endeavouring to address. We are accelerating the next cutback in the KOV pit to resolve some of the immediate constraints, while simultaneously planning upgrades to the processing circuit to match the evolution of the orebody over the life of mine. Noting such constraints, we currently anticipate Katanga copper and cobalt production of c.220kt and c.22kt respectively in 2022.

The detailed medium-term forecast is currently being progressed as part of our normal planning cycle. We will provide such further detail at the annual investor update in early December.

Collahuasi

Attributable copper production of 127,800 tonnes was 18,100 tonnes (12%) lower than H1 2021, due to expected mining sequence changes and Covid-related absenteeism.

Antamina

Attributable copper production of 77,200 tonnes was 4,000 tonnes (5%) higher than H1 2021, due to higher copper grades.

Attributable zinc production of 72,200 tonnes was 8,000 tonnes (10%) lower than H1 2021, reflecting lower zinc grades.

Other South America

Copper production of 108,700 tonnes was 7,500 tonnes (6%) lower than H1 2021, reflecting a temporary elevated strip ratio at Antapaccay.

Australia

Own sourced copper production of 18,800 tonnes was 22,300 tonnes (54%) lower than H1 2021, due to the basis change effect of Ernest Henry being sold in early January 2022. Like-for-like, Cobar production was in line with H1 2021.

Custom metallurgical assets

Copper anode production of 238,200 tonnes was broadly in line with H1 2021. Within this, production at Horne was 16,200 tonnes lower due to challenging winter weather and unplanned smelter downtime, offset by a strong performance by Altonorte.

Copper cathode production of 232,000 tonnes was 22,800 tonnes (9%) lower than H1 2021, largely due to lower CCR production, resulting from Horne's lower feed levels noted above.

Zinc assets

Own sourced zinc production of 480,700 tonnes was 101,000 tonnes (17%) lower than H1 2021, reflecting progressive reduction in the South American portfolio through disposals and closures (49,600 tonnes), Covid-19 related absenteeism leading to lower development rates and sequence changes at Mount Isa (34,800 tonnes) and somewhat lower Antamina production noted above.

Kazzinc

Own sourced zinc production of 73,900 tonnes was 2,900 tonnes (4%) higher than H1 2021, reflecting modest incremental Zhairem production offset by lower grades from the Maleevsky mine due to its progressive depletion.

Own sourced lead production of 9,800 tonnes was 600 tonnes (7%) higher than H1 2021, due to improved concentrator performance and processing higher grade ore.

Own sourced copper production of 10,300 tonnes was 3,300 tonnes (24%) lower than H1 2021, due to Maleevsky mine depletion.

Own sourced gold production of 277,000 ounces was 26,000 ounces (9%) lower than H1 2021, due to a maintenance shutdown at the Ridder Sokolny mine in May 2022 and expected variations in production timing.

Australia

Zinc production of 276,000 tonnes was 33,100 tonnes (11%) lower than H1 2021, reflecting Covid-19 related absenteeism and a change in mining sequence.

Lead production of 79,900 tonnes was 20,800 tonnes (21%) down on H1 2021 for the same reasons as zinc.

Copper production of 29,000 tonnes was 11,600 tonnes (29%) lower than H1 2021, also reflecting Covid-19 related absenteeism, low truck availability and resulting impacts on overall extraction rates.

North America

Zinc production of 39,900 tonnes was 13,300 tonnes (25%) lower than H1 2021, reflecting the progressive depletion of both operations. Matagami mine closed in June 2022.

South America
Zinc production of 18,700 tonnes was 73% lower than H1 2021, following disposal of the Bolivian mines at the end of Q1 2022 and cessation of mining at Iscaycruz in Q3 2021. The remaining operating mine is Yauliyacu in Peru.

European custom metallurgical assets
Zinc metal production of 350,900 tonnes was 47,500 tonnes (12%) lower than H1 2021, mainly relating to suspension of Portovesme's zinc line in Q4 2021, due to high European power prices. Portovesme's waelz-oxide line, which recycles zinc from steel dust, remains operational.

Lead metal production of 159,000 tonnes was 56,800 tonnes (56%) higher H1 2021 reflecting the contribution of the Nordenham Metal lead smelter acquired in September 2021.

Nickel assets
Own sourced nickel production of 57,800 tonnes was 10,100 tonnes (21%) higher than H1 2021, reflecting Koniambo operating both production lines in 2022 and Murrin's stable operations compared to a multi-week shutdown for scheduled maintenance in the base period.

Integrated Nickel Operations (INO)
Own sourced nickel production of 27,800 tonnes was in line with H1 2021. Unionised workers at the Raglan mine commenced industrial action at the end of May 2022, which is still ongoing.

Murrin Murrin
Own sourced nickel production of 17,100 tonnes was 4,000 tonnes (31%) higher than H1 2021, reflecting the plant's periodic lengthy maintenance shut down carried out in the base period (May-June 2021). Own sourced cobalt production of 1,400 tonnes was 17% higher than H1 2021 for same reason.

Koniambo
Nickel production of 12,900 tonnes was 6,300 tonnes (95%) higher than H1 2021, with both lines operating in 2022.

Ferroalloys assets
Attributable ferrochrome production of 786,000 tonnes was 13,000 tonnes (2%) higher than H1 2021, reflecting consistent smelter performance.

Coal assets
Coal production of 55.4 million tonnes was 6.7 million tonnes (14%) higher than H1 2021, mainly reflecting higher attributable production from Cerrejón, following the acquisition in January 2022 of the remaining two-thirds interest that Glencore did not already own. On a like for like basis, overall Group production declined by 0.5 million tonnes (1%).

Australian coking
Production of 3.9 million tonnes was 0.2 million tonnes (5%) lower than H1 2021.

Australian thermal and semi-soft
Production of 32.4 million tonnes was 2.2 million tonnes (7%) higher than H1 2021, mainly reflecting the reporting of additional attributable volumes from our managed operations, following the sell-down by various minority JV partners. We are still assessing the likely impact of the recent New South Wales flooding on estimated full year production and sales volumes, reflecting that the main Newcastle export rail corridor was offline for around 12 days. Higher numbers of Covid cases in Australia through July also point to potential further disruption in H2.

South African thermal
Production of 8.3 million tonnes was 2.5 million tonnes (23%) lower than H1 2021, mainly reflecting the ongoing impacts of curtailing production to match lower capacity available via export logistics channels and reduced domestic demand, as well as challenges from significant wet weather and flooding in April 2022.

Cerrejón
On a like-for-like basis, production of 10.8 million tonnes was in line with H1 2021.

Oil assets
Exploration and production
Entitlement interest oil production of 3.1 million barrels of oil equivalent was 0.6 million barrels (22%) higher than H1 2021, due to commencement of the gas phase of the Alen project in Equatorial Guinea from March 2021.

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

3 August 2022

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 2022 (the "2022 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 29. We have read the other information contained in the 2022 Half-Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the 2022 Half-Year Report for the six months ended 30 June 2022 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 2022 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 2022 Half-Year Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the 2022 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 2022 Half-Year Report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the 2022 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

Deloitte LLP

Recognised Auditor

London, United Kingdom

3 August 2022

CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US$ million	Notes	**2022**	2021
Revenue	4	134,435	93,805
Cost of goods sold		(118,765)	(89,070)
Selling and administrative expenses		(1,360)	(1,034)
Share of income from associates and joint ventures	12	1,254	1,018
Gain/(loss) on acquisitions and disposals of non-current assets	5	1,463	(969)
Other income	6	71	95
Other expense	6	(573)	(377)
Reversal of impairments/(impairments) of non-current assets	8	37	(746)
Reversal of impairments/(impairments) of financial assets	8	3	(116)
Dividend income	12	43	6
Interest income	7	140	54
Interest expense	7	(736)	(652)
Income before income taxes		**16,012**	**2,014**
Income tax expense	9	(3,917)	(1,069)
Income for the period		**12,095**	**945**
Attributable to:			
Non-controlling interests		10	(332)
Equity holders of the Parent		12,085	1,277
Earnings per share:			
Basic (US$)	18	0.92	0.10
Diluted (US$)	18	0.92	0.10

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	**2022**	2021
Income for the period		12,095	945
Other comprehensive income/(loss)			
Items not to be reclassified to the statement of income in subsequent periods:			
Defined benefit plan remeasurements[1]		166	184
Tax charge on defined benefit plan remeasurements[1]		(51)	(48)
(Loss)/gain on equity investments accounted for at fair value through other comprehensive income	12	(1,139)	19
Tax credit on equity investments accounted for at fair value through other comprehensive income		3	–
Losses due to changes in credit risk on financial liabilities accounted for at fair value through profit and loss		(14)	(18)
Net items not to be reclassified to the statement of income in subsequent periods		**(1,035)**	**137**
Items that have been or may be reclassified to the statement of income in subsequent periods:			
Exchange (loss)/gain on translation of foreign operations		(188)	201
Items recycled to the statement of income[2]	6/23	509	–
Loss on cash flow hedges[3]		(89)	(97)
Tax credit on loss on cash flow hedges[3]		2	–
Cash flow hedges reclassified to the statement of income[3]		138	108
Tax charge on cash flow hedges reclassified to the statement of income[3]		(2)	–
Share of other comprehensive income/(loss) from associates and joint ventures	12	24	(7)
Net items that have been or may be reclassified to the statement of income in subsequent periods		**394**	**205**
Other comprehensive (loss)/income		**(641)**	**342**
Total comprehensive income		**11,454**	**1,287**
Attributable to:			
Non-controlling interests		–	(326)
Equity holders of the Parent		11,454	1,613

1 Certain prior year balances have been restated to conform with current year presentation to show gross movement in defined benefit plan remeasurements.

2 Comprises foreign exchange translation losses recyled upon disposal of subsidiaries ($78 million)(see note 23) and restructuring of intragroup debt ($431 million)(see note 6).

3 Certain prior year balances have been restated to conform with current year presentation to show gross movements in the cash flow hedge reserve.

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 2022 AND 31 DECEMBER 2021

US$ million	Notes	**2022 (unaudited)**	2021 (audited)
Assets			
Non-current assets			
Property, plant and equipment	10	44,065	43,159
Intangible assets	11	6,151	6,235
Investments in associates and joint ventures	12	11,656	12,294
Other investments	12	648	1,620
Advances and loans	13	3,771	3,527
Other financial assets	24	88	458
Inventories	14	739	662
Deferred tax assets		1,757	1,779
		68,875	**69,734**
Current assets			
Inventories	14	30,212	28,434
Accounts receivable	15	25,651	19,493
Other financial assets	24	10,771	4,636
Income tax receivable		374	364
Prepaid expenses		423	287
Cash and cash equivalents		2,636	3,241
		70,067	**56,455**
Assets held for sale	16	1,013	1,321
		71,080	**57,776**
Total assets		**139,955**	**127,510**
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	17	146	146
Reserves and retained earnings		47,537	39,785
		47,683	**39,931**
Non-controlling interests		(3,232)	(3,014)
Total equity		**44,451**	**36,917**
Non-current liabilities			
Borrowings	20	22,085	26,811
Deferred income		1,768	2,088
Deferred tax liabilities		4,602	4,469
Other financial liabilities	24	1,838	710
Provisions	21	7,137	6,117
Post-retirement and other employee benefits		860	939
		38,290	**41,134**
Current liabilities			
Borrowings	20	8,656	7,830
Accounts payable	22	32,597	29,313
Deferred income		1,185	1,573
Provisions	21	1,781	2,093
Other financial liabilities	24	9,556	6,077
Income tax payable		3,118	1,785
		56,893	**48,671**
Liabilities held for sale	16	321	788
		57,214	**49,459**
Total equity and liabilities		**139,955**	**127,510**

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	**2022**	2021
Operating activities			
Income before income taxes		16,012	2,014
Adjustments for:			
Depreciation and amortisation		3,306	3,105
Share of income from associates and joint ventures	12	(1,254)	(1,018)
Streaming revenue and other non-current provisions		48	(37)
(Gain)/loss on acquisitions and disposals of non-current assets	5	(1,463)	969
Unrealised mark-to-market movements on other investments	6	(41)	(69)
(Reversal of impairments)/impairments	8	(40)	862
Other non-cash items – net[1]		1,126	757
Interest expense – net	7	596	598
Cash generated by operating activities before working capital changes, interest and tax		**18,290**	**7,181**
Working capital changes			
Increase in accounts receivable[2]		(10,242)	(3,492)
Increase in inventories		(1,684)	(1,824)
Increase in accounts payable[3]		2,884	4,772
Total working capital changes		**(9,042)**	**(544)**
Income taxes paid		(3,023)	(678)
Interest received		67	46
Interest paid		(556)	(504)
Net cash generated by operating activities		**5,736**	**5,501**
Investing activities			
Increase in long-term advances and loans	13	(200)	–
Net cash received in acquisition of subsidiaries	23	321	–
Net cash received on disposal of subsidiaries	23	610	–
Purchase of investments		(183)	(13)
Proceeds from sale of investments		19	174
Purchase of property, plant and equipment		(1,876)	(1,546)
Proceeds from sale of property, plant and equipment		29	41
Dividends received from associates and joint ventures	12	1,058	950
Net cash used by investing activities		**(222)**	**(394)**

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	**2022**	2021
Net foreign exchange losses	6	290	161
Closed site rehabilitation costs	6	83	–
Share based and other remuneration costs		749	489
Legal and regulatory proceedings	6/27	–	180
Other		4	(73)
Total		**1,126**	**757**

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	**2022**	2021
Financing activities[1]			
Proceeds from issuance of capital market notes[2]		–	3,479
Repayment of capital market notes		(1,392)	(985)
Repurchase of capital market notes		(103)	(125)
Repayment of revolving credit facility		(1,863)	(2,009)
Proceeds from other non-current borrowings		414	5
Repayment of other non-current borrowings		(78)	(385)
Repayment of lease liabilities		(301)	(307)
Margin payments in respect of financing related hedging activities		(1,389)	(372)
Proceeds from/(repayment of) current borrowings		1,910	(2,991)
(Repayment of)/proceeds from U.S. commercial papers		(1,150)	693
Return of capital/distributions to non-controlling interests		(218)	(152)
Purchase of own shares	17	(486)	(131)
Disposal of own shares[3]	17	247	–
Distributions paid to equity holders of the Parent	19	(1,707)	(794)
Net cash used by financing activities		**(6,116)**	**(4,074)**
(Decrease)/increase in cash and cash equivalents		(602)	1,033
Effect of foreign exchange rate changes		(25)	15
Cash and cash equivalents, beginning of period		3,308	1,498
Cash and cash equivalents, end of period		**2,681**	**2,546**
Cash and cash equivalents reported in the statement of financial position		**2,636**	**2,546**
Cash and cash equivalents attributable to assets held for sale		**45**	**–**

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

2 Net of issuance costs relating to capital market notes of $Nil (2021: $24 million).

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 2022.

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	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests	Total equity
1 January 2021	**2,849**	**45,794**	**(5,848)**	**(5,304)**	**37,491**	**146**	**37,637**	**(3,235)**	**34,402**
Income/(loss) for the period	1,277	–	–	–	1,277	–	1,277	(332)	945
Other comprehensive income	130	–	206	–	336	–	336	6	342
Total comprehensive income	**1,407**	**–**	**206**	**–**	**1,613**	**–**	**1,613**	**(326)**	**1,287**
Own share disposal[1]	(78)	–	–	173	95	–	95	–	95
Own share purchases[1]	–	–	–	(131)	(131)	–	(131)	–	(131)
Equity-settled share-based expenses	(90)	–	–	–	(90)	–	(90)	–	(90)
Change in ownership interest in subsidiaries	–	–	31	–	31	–	31	12	43
Acquisition/disposal of business[2]	–	–	–	–	–	–	–	1,017	1,017
Distributions[3]	–	(1,600)	–	–	(1,600)	–	(1,600)	(152)	(1,752)
30 June 2021	**4,088**	**44,194**	**(5,611)**	**(5,262)**	**37,409**	**146**	**37,555**	**(2,684)**	**34,871**

	Retained earnings	Share premium	Other reserves	Own shares	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[1]	(125)	–	–	430	305	–	305	–	305
Own share purchases[1]	–	–	–	(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[2]	–	–	–	–	–	–	–	(5)	(5)
Distributions[3]	–	(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**

1 See note 17.
2 See note 23.
3 See note 19.

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 2022 were authorised for issue in accordance with a Directors’ resolution on 3 August 2022.

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 2022. These unaudited condensed consolidated interim financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2021 Annual Report of Glencore plc (2021 Annual Report) available at www.glencore.com. These condensed consolidated interim financial statements for the six months ended 30 June 2022 and 2021, and financial information for the year ended 31 December 2021 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 2021 Annual Report and audited consolidated financial statements for the year ended 31 December 2021 have been filed with the Jersey Registrar of Companies and the audit report on those consolidated financial statements was not qualified.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 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 currency exchange rates) 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 cyclicality 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 2021 Annual Report, except for a clarification in the policy for foreign currency translation and the adoption of a number of clarification revisions to existing accounting pronouncements.

FOREIGN CURRENCY TRANSLATION

(i) Translation of financial statements

For the purposes of consolidation, assets and liabilities of group companies whose functional currency is in a currency other than the U.S. dollar are translated into U.S. dollars using year-end exchange rates, while their statements of income are translated using average rates of exchange for the year. Translation adjustments are included as a separate component of shareholders’ equity and have no consolidated statement of income impact to the extent that no disposal of the foreign operation has occurred. Where an intragroup balance is, in substance, part of the Group’s net investment in an entity, exchange gains and losses on that balance are taken to the currency translation reserve. Cumulative translation differences are recycled from equity and recognised as income or expense on partial disposal of the net investment in an entity, which includes repayments of capital and loans. On such partial disposals, when the Group’s percentage of equity ownerships do not change, the ‘absolute’ approach is applied. Under this approach, the amounts held in the foreign currency translation reserve are reclassified to income or expense based on the proportionate share of total cumulative translation differences recognised in the net investment.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

2. Accounting policies continued

ADOPTION OF NEW AND REVISED STANDARDS

The following clarification revisions to existing accounting pronouncements became effective as of 1 January 2022 and have been adopted by the Group.

(i) Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) – effective for year ends beginning on or after 1 January 2022

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The Group has applied the amendments to contracts for which the Group has not yet fulfilled all its obligations as at 1 January 2022.

(ii) Property, Plant and Equipment – Proceeds before intended use (Amendments to IAS 16) – effective for year ends beginning on or after 1 January 2022

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment, any proceeds received from selling items produced while preparing the assets for its intended use. Instead, any entity recognises the proceeds from selling such items, and the costs of producing those items, in the statement of income.

(iii) Reference to the Conceptual Framework (Amendments to IFRS 3) – effective for year ends beginning on or after 1 January 2022

The amendments update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRIC 21 *Levies*. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

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

KEY JUDGEMENTS AND ESTIMATES

The critical accounting judgements and key sources of estimation uncertainty for the period ended 30 June 2022 are the same as those disclosed in the 2021 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 23;
- Classification of transactions which contain a financing element – see note 22;
- Classification of physical liquified natural gas (LNG) purchase and sale contracts at amortised cost or fair value through profit and loss – see notes 24 and 25;
- Investigations by regulatory and enforcement authorities - Critical judgement in relation to whether a present obligation exists and key estimation uncertainty in relation to the measurement of the provision recognised for such investigation – see notes 21 and 27;
- Valuation of investments in EN+ and Rosneft – see note 12;
- 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 21.

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 amount represents Group related income and expenses (including share of Viterra earnings and certain variable bonus charges). Statement of financial position amounts represent Group related balances.

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) is considered to be an associate as it is not subject to joint control and the Collahuasi copper mine (44% owned) 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 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 January 2022, Glencore completed the acquisition of the remaining 66.67% interest in the Cerrejón coal mine that it did not previously own (see note 23), increasing Glencore's ownership to 100% and providing it with the ability to exercise control and fully consolidate Cerrejón. Prior to the transaction, Glencore evaluated the performance of its 33.33% interest in Cerrejón under the proportionate consolidation method, such that 2021 segment comparatives reflect Glencore's proportionate share of the revenues, expenses, assets and liabilities of the investment.

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 2022

US$ million	Marketing activities	Industrial activities	Inter-segment eliminations	Total
Revenue				
Metals and minerals	44,431	21,206	(15,376)	50,261
Energy products	71,298	19,574	(5,283)	85,589
Corporate and other	–	3	–	3
Revenue - segmental	**115,729**	**40,783**	**(20,659)**	**135,853**
Proportionate adjustment – revenue[1]	–	(1,418)	–	(1,418)
Revenue – reported measure	**115,729**	**39,365**	**(20,659)**	**134,435**
Metals and minerals				
Adjusted EBITDA	1,013	5,877	–	6,890
Depreciation and amortisation	(28)	(1,711)	–	(1,739)
Proportionate adjustment – depreciation[1]	–	(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[2]	(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[3]				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, impairment and income tax expense[1]				(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[1]	–	(165)	–	(165)
Capital expenditure – reported measure[4] (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 Refer to above and APMs section for definition.
2 Marketing activities include $284 million of Glencore's equity accounted share of Viterra.
3 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.
4 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.

3. Segment information continued

Six months ended 30 June 2021

US$ million	Marketing activities	Industrial activities	Inter-segment eliminations	**Total**
Revenue				
Metals and minerals	36,956	20,328	(14,109)	43,175
Energy products	46,963	7,344	(1,784)	52,523
Corporate and other	–	3	–	3
Revenue - segmental	**83,919**	**27,675**	**(15,893)**	**95,701**
Proportionate adjustment – revenue[1]	–	(1,896)	–	(1,896)
Revenue – reported measure	**83,919**	**25,779**	**(15,893)**	**93,805**
Metals and minerals				
Adjusted EBITDA	1,232	5,891	–	7,123
Depreciation and amortisation	(47)	(1,785)	–	(1,832)
Proportionate adjustment – depreciation[1]	–	(201)	–	(201)
Adjusted EBIT	**1,185**	**3,905**	**–**	**5,090**
Energy products				
Adjusted EBITDA	875	1,091	–	1,966
Depreciation and amortisation	(203)	(1,061)	–	(1,264)
Proportionate adjustment – depreciation[1]	–	(43)	–	(43)
Adjusted EBIT	**672**	**(13)**	**–**	**659**
Corporate and other				
Adjusted EBITDA[2]	(62)	(373)	–	(435)
Depreciation and amortisation	–	(9)	–	(9)
Adjusted EBIT	**(62)**	**(382)**	**–**	**(444)**
Total Adjusted EBITDA	**2,045**	**6,609**	**–**	**8,654**
Total depreciation and amortisation	(250)	(2,855)	–	(3,105)
Total depreciation proportionate adjustment	–	(244)	–	(244)
Total Adjusted EBIT	**1,795**	**3,510**	**–**	**5,305**
Share of associates' significant items[1,3]				(11)
Movement in unrealised inter-segment profit elimination adjustments[4]				(83)
Loss on acquisitions and disposals of non-current assets				(969)
Other expense – net				(282)
Impairments				(862)
Interest expense – net				(598)
Income tax expense				(1,069)
Proportionate adjustment – net finance and income tax expense[1]				(486)
Income for the period				**945**
Capital expenditure				
Metals and minerals	117	1,482	–	1,599
Energy products	549	346	–	895
Corporate and other[1]	–	15	–	15
Capital expenditure – segmental (30 June 2021)	**666**	**1,843**	**–**	**2,509**
Proportionate adjustment – capital expenditure[1]	–	(259)	–	(259)
Capital expenditure – reported measure[5] (30 June 2021)	**666**	**1,584**	**–**	**2,250**

US$ million	Marketing activities	Industrial activities	Corporate and other	**Total**
Total assets (as at 30 June 2021)	**47,706**	**70,034**	**4,679**	**122,419**

1 Refer to above and APMs section for definition.
2 Marketing activities include $196 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.
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 $704 million ($547 million in Marketing activities and $157 million in Industrial activities) of 'right-of-use assets' capitalised in accordance with IFRS 16 – Leases.

4. Revenue

US$ million	H1 2022	H1 2021
Sale of commodities	132,749	92,568
Freight, storage and other services	1,686	1,237
Total	**134,435**	**93,805**

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 $2,085 million (2021: $890 million) of mark-to-market related adjustments on provisionally priced sales arrangements. 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		H1 2022	H1 2021
Gain on bargain purchase of Cerrejón	23	1,029	–
Gain on sale of Ernest Henry	23	512	–
Loss on sale of Bolivia Zinc	23	(104)	–
Loss on sale of E&P Chad	23	(34)	–
Derecognition of non-controlling interest on disposal of Mopani	23	–	(1,022)
Net gain on bargain purchase/(loss on sale) of other investments/operations		59	50
Gain on disposal of property, plant and equipment		1	3
Total		**1,463**	**(969)**

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 23).

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 23).

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 23).

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 23).

DISPOSAL OF MOPANI
In March 2021, Glencore completed the disposal of its interest in Mopani to ZCCM Investments Holdings plc. The net loss on disposal reflects the derecognition to the statement of income of the previously recognised book value of the non-controlling interest equity balance, which largely related to the non-controlling interests' share of historical impairments and losses, and net liabilities in Mopani (see note 23).

6. Other income/(expense) – net

US$ million	H1 2022	H1 2021
Net changes in mark-to-market valuations on investments	41	69
Other income – net	30	26
Total other income	**71**	**95**
Net foreign exchange losses	(290)	(161)
Legal and regulatory proceedings	(153)	(216)
Closed site rehabilitation costs	(83)	–
Other expenses – net	(47)	–
Total other expenses	**(573)**	**(377)**
Total other expense - net	**(502)**	**(282)**

Together with foreign exchange movements and mark-to-market movements on investments, 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 ON INVESTMENTS

Primarily relates to movements on interests in investments (see note 12), the ARM Coal non-discretionary dividend obligation (see note 25) 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 include 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 $153 million (2021: $216 million)(see note 27).

CLOSED SITE REHABILITATION COSTS

Comprises movements in restoration, rehabilitation and decommissioning estimates related to sites that are no longer operational (see note 21).

7. Interest income/(expense) – net

US$ million	Notes	H1 2022	H1 2021
Bank deposits and other financial assets		105	28
Accretion on certain advances repayable with product		30	18
Loans to associates		5	8
Interest income		**140**	**54**
Capital market notes		(352)	(346)
Revolving credit facilities		(52)	(30)
Post-retirement employee benefits		(10)	(12)
Deferred income		(51)	(58)
Lease liabilities		(42)	(46)
Restoration and rehabilitation	21	(81)	(79)
Other provisions	21	(19)	(16)
Bank loans		(83)	(45)
Less: capitalised interest		11	15
Other interest		(57)	(35)
Interest expense		**(736)**	**(652)**
Total interest expense - net		**(596)**	**(598)**

8. Impairments

US$ million	Notes	H1 2022	H1 2021
Property, plant and equipment and intangible assets	10	84	(645)
Investments	12	(70)	–
Advances and loans - current and non-current		26	(116)
VAT receivable - non-current		–	(101)
Total reversal of impairments/(impairments)[1]		**40**	**(862)**

1 Reversal of impairments recognised during the period are allocated to Glencore's operating segments as follows: Marketing activities $26 million (2021: impairments of $116 million) and Industrial activities $14 million (2021: impairments of $746 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 2021 Annual Report and have not changed over the period.

2022

Property, plant and equipment and intangible assets

As a result of significantly improved market conditions in the oil and gas markets, 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 2021 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 2022. 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 2021 Annual Report continue to be appropriate, including the longer-term sensitivities for CGUs potentially impacted by climate change.

2021

Property, plant and equipment and intangible assets

- Koniambo incurred failures at its power plant and suffered a slag leak in line 2 of its metallurgical plant, resulting in a suspension of production. Extensive investigation into the cause of the leak ensued, following which it was determined to target lower throughput, revise certain grade and process recovery assumptions and increase the frequency of major maintenance shut-downs, with the intention of delivering more sustainable long-term operations. These revised changes in volume and cost assumptions and the emergence of higher discounts on non-battery application nickel relative to the LME nickel benchmark price resulted in a reduction of Koniambo's estimated recoverable value (Industrial activities segment) to $1,069 million and an impairment of $625 million. The valuation assumed a long-term realised nickel price of approximately $14,000/t and an operation specific discount rate of 9.4%. Further revisions to the operating plans are possible. A 10% reduction in the long-term realised nickel price would have resulted in an additional impairment of $520 million. A 10% reduction in estimated annual production over the life of mine would have resulted in an additional impairment of $675 million.
- The balance of the impairment charges on property, plant and equipment (none of which were individually material) relate to specific assets where utilisation is no longer required or to projects no longer progressed due to changes in production and development plans.

Advances and loans – current and non-current

In H1 2021, net impairment charges on advances and loans of $116 million (none of which were individually material) were recognised in our Marketing activities segment, comprising $152 million of impairment charges, net of $36 million of impairment reversals, following the restructuring of certain loans and physical advances due to various non-performance factors.

VAT receivable – non-current

As a result of continued challenge and non-performance by certain government authorities in settling long outstanding VAT claims, a provision of $101 million was recognised in our Industrial activities segment.

9. Income taxes

Income taxes consist of the following:

US$ million	H1 2022	H1 2021
Current income tax expense	(3,805)	(897)
Adjustments in respect of prior year current income tax	(267)	(77)
Deferred income tax credit/(expense)	183	(81)
Adjustments in respect of prior year deferred income tax	(28)	(14)
Total tax expense reported in the statement of income	**(3,917)**	**(1,069)**
Current income tax (expense)/credit recognised directly in other comprehensive income	–	–
Deferred income tax expense recognised directly in other comprehensive income	(48)	(48)
Total tax expense recognised directly in other comprehensive income	**(48)**	**(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	H1 2022	H1 2021
Income before income taxes	16,012	2,014
Less: Share of income from associates and joint ventures	(1,254)	(1,018)
Parent Company's and subsidiaries' income before income tax and attribution	**14,758**	**996**
Income tax expense calculated at the Swiss income tax rate of 12% (2021: 12%)	(1,771)	(120)
Tax effects of:		
Different tax rates from the standard Swiss income tax rate ($1,875 million (2021: $458 million) from recurring and $115 million (2021: $Nil) from non-recurring items)	(1,990)	(458)
Tax-exempt income ($226 million (2021: $239 million) from recurring items and $129 million (2021: $42 million) from non-recurring items)	355	281
Items not tax deductible ($343 million (2021: $391 million) from recurring items and $241 million (2021: $376 million) from non-recurring items)	(584)	(767)
Foreign exchange fluctuations	(45)	19
Changes in tax rates	(1)	12
Utilisation and changes in recognition of tax losses and temporary differences	412	57
Tax losses not recognised	(16)	(2)
Adjustments in respect of prior years	(295)	(91)
Other	18	–
Income tax expense	**(3,917)**	**(1,069)**

The non-tax deductible items of $584 million (2021: $767 million) primarily relate to financing costs, impairments and various other expenses.

The impact of tax-exempt income of $355 million (2021: $281 million) primarily relates to non-taxable intra-group 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	2022	2021
Income tax receivable	374	364
Income tax payable	(3,118)	(1,785)
Net income tax payable	**(2,744)**	**(1,421)**

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 2022, the Group has recognised $1,301 million (2021: $880 million) of uncertain tax liabilities related to possible adverse outcomes of these open matters, of which, $311 million (2021: $287 million) has been recognised net of deferred tax assets, with the balance of $990 million (2021: $593 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.

9. Income taxes continued

UK Tax Audit

In previous periods, HMRC have issued formal transfer pricing, unallowable purposes and diverted profits tax assessments for the 2008-2018 tax years, amounting to $837 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 draft 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 draft assessments, the Group engages with the tax authorities to defend its filing positions. As at 30 June 2022, there are various ongoing technical discussions, 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 2022	3,914	17,219	1,705	14,242	88	5,991	43,159
Business combination[2]	542	1,009	20	961	–	271	2,803
Disposal of subsidiaries[2]	–	(25)	(2)	(27)	–	(9)	(63)
Additions	10	1,272	184	35	–	395	1,896
Disposals	(1)	(27)	(21)	–	–	(1)	(50)
Depreciation	(182)	(1,263)	(304)	(867)	–	(609)	(3,225)
Impairment reversal[3]	4	(4)	(1)	–	2	83	84
Effect of foreign currency exchange movements	1	(32)	2	(36)	4	(7)	(68)
Reclassification to held for sale[4]	(2)	(212)	(1)	(37)	–	(194)	(446)
Other movements	24	(134)	(1)	(42)	–	128	(25)
Net book value 30 June 2022	**4,310**	**17,803**	**1,581**	**14,229**	**94**	**6,048**	**44,065**

1 Net book value of recognised right-of-use assets relates to land and buildings ($432 million) and plant and equipment ($1,149 million).
2 See note 23.
3 See note 8.
4 See note 16.

During the period ended 30 June 2021, Glencore added property, plant and equipment with a cost of $2,245 million and disposed of property, plant and equipment with net book value of $120 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 2022		5,000	895	220	120	6,235
Additions		–	1	4	2	7
Amortisation[1]		–	(51)	(16)	(14)	(81)
Effect of foreign currency exchange movements		–	(19)	4	5	(10)
Reclassifications to held for sale	16	–	–	(1)	–	(1)
Other movements		–	–	–	1	1
Net book value 30 June 2022		**5,000**	**826**	**211**	**114**	**6,151**

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	2022
1 January 2022		12,294
Additions		5
Disposals		(36)
Share of income from associates and joint ventures		1,254
Share of other comprehensive income from associates and joint ventures		24
Transfer of previously held equity accounted investment to subsidiary	23	(598)
Reclassification to held for sale	16	(162)
Impairments	8	(70)
Dividends received		(1,058)
Other movements		3
30 June 2022		**11,656**
Of which:		
Investments in associates		4,766
Investments in joint ventures		6,890

As at 30 June 2022, the carrying value of our listed associates is $399 million (2021: $406 million), mainly comprising Century Aluminum and PT CITA, which have carrying values of $215 million (2021: $165 million) and $180 million (2021: $177 million), respectively. The fair value of our listed associates, using published price quotations (a Level 1 fair value measurement) is $551 million (2021: $967 million). As at 31 December 2021, Glencore's investment in Century Aluminum was pledged under a loan facility, with proceeds received and recognised in current borrowings of $120 million (see note 20).

Impairments

Glencore holds a 26.3% interest in Trevali Mining Corporation, an associate listed on the Toronto Stock Exchange. As at 30 June 2022, the fair value of Glencore's investment amounted to $9 million, mainly reflecting the financial impact of a serious mining incident at its Perkoa Mine in Burkina Faso in April 2022. As a result, our the carrying value of $70 million was fully impaired.

OTHER INVESTMENTS

US$ million	as at 30.06.2022	as at 31.12.2021
Fair value through other comprehensive income[1]		
EN+ GROUP PLC	–	789
Yancoal	314	160
OSJC Rosneft	–	485
Shenzhen Energy Gas Investment Holding	104	–
Other	222	186
	640	1,620
Fair value through profit and loss		
Freyr Battery	7	–
Other	1	–
	8	–
Total	**648**	**1,620**

1 Movements in Fair value through other comprehensive income for the period comprise negative changes in fair value of $1,274 million relating to Russian investments (see below), net of positive changes in fair value of $135 million (2021: negative changes of $52 million) relating to other investments and net acquisitions of $159 million (2021: $25 million).

Dividend income from equity investments designated as at fair value through other comprehensive income amounted to $43 million for the period ended 30 June 2022 (2021: $6 million).

Investments in EN+ and Rosneft

In February 2022, the Russian government commenced a war against the people of Ukraine, resulting in a humanitarian crisis and significant disruption to financial and commodity markets. A number of countries including, the United States of America, European Union, Switzerland and United Kingdom imposed a series of sanctions against the Russian government, various companies, and certain individuals. In response to these sanctions, Russia implemented a number of counter-sanctions including restrictions on the divestment from Russian assets by foreign investors.

Glencore owns equity stakes in EN+ (10.6%) and Rosneft (0.57%), listed on the London Stock Exchange and Moscow Stock Exchange. On 3 March 2022, EN+ was suspended from trading on the London Stock Exchange and Rosneft stopped trading on the Moscow exchange. On 24 March, Rosneft resumed trading; however, Glencore is not able to sell its Rosneft shares on the Moscow Stock Exchange and is unable to ascribe probabilities to possible outcomes of any potential exit process.

12. Investments in associates, joint ventures and other investments continued

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liablity in an orderly transaction between market participants at the measurement date. Further, an entity should take into account the characteristics of the asset or liability if market participants would take those into account when pricing the asset or liability, where such characteristics would include restrictions on the sale or use of the asset. Under current market conditions, given the restrictions noted above, the quoted share prices for both investments are not deemed to be reliable evidence of fair value and thus it was determined that it is no longer appropriate to classify these investments as Level 1 financial instruments in accordance with IFRS, but rather as Level 3 financial instruments. In valuing these investments as a Level 3 investment. Glencore concluded that there is no realistic way to exit these stakes in the current environment and considered that the measure of fair value is subject to high measurement uncertainty. Both equity interests were written down to $Nil on the basis that their fair value is not materially different to $Nil given the valuation a market participant would ascribe to a hypothetical transfer reflecting their inability to access the market. The corresponding negative mark-to-market adjustments was recognised in other comprehensive income.

13. Advances and loans

US$ million	Notes	**as at 30.06.2022**	as at 31.12.2021
Financial assets at amortised cost			
Loans to associates		137	128
Other non-current receivables and loans		372	519
Deferred consideration	23	180	–
Rehabilitation trust fund[1]		147	148
Financial assets at fair value through profit and loss			
Other non-current receivables and loans	24	31	28
Convertible loan	24	200	–
Deferred consideration	24	54	135
Non-financial instruments			
Pension surpluses		148	125
Advances repayable with product[2]		1,682	1,673
Land rights prepayment		150	150
Other tax and related non-current receivables		670	621
Total		**3,771**	**3,527**

1 The balance has been assessed for impairment and is deemed recoverable.
2 Net of $795 million (2021: $1,074 million) 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) 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:

US$ million	Loans to associates	Other non-current receivables and loans	Deferred consideration	**Total**
Gross carrying value 30 June 2022	199	646	180	**1,025**
Of which:				
12-month expected credit losses	41	405	180	626
Lifetime expected credit losses (credit impaired)	158	241	–	399
Loss allowances				
1 January 2022	62	254	–	316
Released during the period[1]	–	(3)	–	(3)
Charged during the period[1]	–	23	–	23
30 June 2022	62	274	–	**336**
Of which:				
12-month expected credit losses	–	36	–	36
Lifetime expected credit losses (credit impaired)	62	238	–	300
Net carrying value 30 June 2022	**137**	**372**	**180**	**689**

1 $3 million recognised as a reversal of impairment (see note 8) and the balancing charge of $23 million recognised in cost of goods sold.

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 leading 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 24 and 25).

14. Inventories

CURRENT INVENTORY

Inventories of $30,212 million (2021: $28,434 million) comprise $17,238 million (2021: $16,073 million) of inventories carried at fair value less costs of disposal and $12,974 million (2021: $12,361 million) valued at the lower of cost or net realisable value. The amount of inventories and related ancillary costs recognised as an expense during the period was $112,225 million (2021: $82,214 million).

Fair value of inventories is a Level 2 fair value measurement (see note 25) 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.

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 2022, the total amount of inventory pledged under such facilities was $1,102 million (2021: $17 million). The proceeds received and recognised as current borrowings were $897 million (2021: $2 million) and $80 million (2021: $80 million) as non-current borrowings.

NON-CURRENT INVENTORY

$739 million (2021: $662 million) of 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.

15. Accounts receivable

US$ million	Notes	as at 30.06.2022	as at 31.12.2021
Financial assets at amortised cost			
Trade receivables		7,020	4,943
Margin calls paid		8,354	5,914
Receivables from associates		609	413
Other receivables[1]		598	402
Deferred consideration	23	175	–
Financial assets at fair value through profit and loss			
Trade receivables containing provisional pricing features	24	5,621	5,267
Finance lease receivable	24	1	2
Other receivables	24	79	79
Deferred consideration	24	129	175
Non-financial instruments			
Advances repayable with product[2]		1,501	876
Other tax and related receivables[3]		1,564	1,422
Total		**25,651**	**19,493**

1 Includes current portion of non-current loans receivable of $354 million (2021: $296 million).
2 Includes advances, net of $496 million (2021: $409 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.
3 Comprises sales and other tax receivables of $1,400 million (2021: $1,253 million) and other receivables of $164 million (2021: $169 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 cost of goods sold and during the period, $2 million (2021: $9 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	Trade receivables – days past due					
As at 30 June 2022	Not past due	<30	31 – 60	61 – 90	>90	Total
Gross carrying amount	6,074	452	48	42	430	7,046
Expected credit loss rate	0.24%	0.48%	0.72%	0.97%	2.05%	
Lifetime expected credit loss	(15)	(2)	–	–	(9)	(26)
Total	**6,059**	**450**	**48**	**42**	**421**	**7,020**

The Group determines the expected credit loss of receivables from associates 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	Deferred consideration	Total
Gross carrying value 30 June 2022	716	748	175	**1,639**
Of which:				
12-Month expected credit losses	599	617	175	1,391
Lifetime expected credit losses (credit impaired)	117	131	–	248
Allowance for credit loss				
1 January 2022	116	129	–	245
Charged during the period[1]	–	28	–	28
Utilised during the period	–	(4)	–	(4)
Effect of foreign currency exchange movements	(9)	(3)	–	(12)
30 June 2022	107	150	–	**257**
Of which:				
12-Month expected credit losses	–	51	–	51
Lifetime expected credit losses (credit impaired)	107	99	–	206
Net carrying value 30 June 2022	**609**	**598**	**175**	**1,382**

1 Recognised in cost of goods sold.

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 2022, the total amount of trade receivables pledged was $2,094 million (2021: $Nil) and proceeds received and classified as current borrowings amounted to $1,786 million (2021: $Nil).

16. Assets and liabilities held for sale

Net assets held for sale are measured at their carrying amount, being the lower of carrying amount and fair value less costs to sell. As of 30 June 2022, 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:

2022

US$ million	Cobar	Access World	BaseCore	**Total**
Non-current assets				
Property, plant and equipment	446	189	–	635
Intangible assets	1	12	–	13
Investments in associates and joint ventures	–	9	162	171
Advances and loans	–	10	–	10
Deferred tax assets	–	5	–	5
	447	**225**	**162**	**834**
Current assets				
Inventories	24	–	–	24
Accounts receivable	2	100	–	102
Prepaid expenses	2	6	–	8
Cash and cash equivalents	–	45	–	45
	28	**151**	**–**	**179**
Total assets held for sale	**475**	**376**	**162**	**1,013**
Non-current liabilities				
Borrowings	–	(114)	–	(114)
Deferred tax liabilities	(27)	–	–	(27)
Provisions	(22)	(1)	–	(23)
Post-retirement and other employees benefits	(1)	(1)	–	(2)
	(50)	**(116)**	**–**	**(166)**
Current liabilities				
Borrowings	(1)	(19)	–	(20)
Accounts payable	(34)	(91)	–	(125)
Other financial liabilities	–	(3)	–	(3)
Income tax payable	–	(3)	–	(3)
	(35)	**(116)**	**–**	**(151)**
Total liabilities held for sale	**(85)**	**(232)**	**–**	**(317)**
Non-controlling interest	**–**	**(4)**	**–**	**(4)**
Total net assets held for sale	**390**	**140**	**162**	**692**

COBAR
In March 2022, Glencore entered into an agreement with Metals Acquisition Corp (MAC) for the disposal of its 100% interest in Cobar, a copper mine in New South Wales, Australia for $1.05 billion, as well as a $50 million equity stake in MAC and a 1.5% life of mine NSR royalty upon completion of the transaction. Completion of the sale is conditional on approval of MAC's shareholders and receipt of certain regulatory approvals and is expected to occur in H2 2022.

ACCESS WORLD
On 31 January 2022, Glencore entered into an agreement to dispose of its 100% interest in the Access World Group, a global storage and logistics group, for $180 million. In June, the key terms were amended to provide that Glencore will receive $80 million of cash on closing, with the balance ($100 million) being held as a vendor loan due 12 months post closing date. Completion of the sale is conditional on receipt of certain regulatory approvals and is expected to occur in H2 2022.

BASECORE
On 1 May 2022, Glencore entered into an agreement to sell a royalty package by BaseCore Metals LP ("BaseCore") to Sandstorm Gold Ltd. ("Sandstorm") for total consideration of $525 million. BaseCore is owned 50:50 by Glencore and Ontario Teachers' Pension Plan Board. The transaction completed on 12 July 2022 and Glencore received, in aggregate, approximately $300 million in cash and Sandstorm shares for its 50% interest in BaseCore, including the retained cash on balance sheet, which was distributed to Glencore. A gain on disposal of non-current assets of some $130 million could result. See note 29.

16. Assets and liabilities held for sale continued

2021

US$ million	Ernest Henry	Bolivia	Access World	E&P Chad	**Total as at 31.12.2021**
Non-current assets					
Property, plant and equipment	311	161	171	240	883
Intangible assets	–	2	2	–	4
Investments	–	–	11	–	11
Advances and loans	–	–	10	–	10
Deferred tax assets	30	10	4	–	44
	341	**173**	**198**	**240**	**952**
Current assets					
Inventories	16	36	–	22	74
Accounts receivable	26	82	93	14	215
Income tax receivable	–	–	1	–	1
Prepaid expenses	2	–	10	–	12
Cash and cash equivalents	1	21	45	–	67
	45	**139**	**149**	**36**	**369**
Total assets held for sale	**386**	**312**	**347**	**276**	**1,321**
Non-current liabilities					
Borrowings	–	(3)	(111)	–	(114)
Deferred income	(138)	–	–	–	(138)
Deferred tax liabilities	–	(4)	(1)	(4)	(9)
Provisions	(74)	(29)	(1)	(85)	(189)
Post-retirement and other employees benefits	(1)	(17)	(1)	–	(19)
	(213)	**(53)**	**(114)**	**(89)**	**(469)**
Current liabilities					
Borrowings	–	(7)	(17)	–	(24)
Accounts payable	(32)	(55)	(95)	(6)	(188)
Deferred income	(53)	–	–	–	(53)
Provisions	(1)	(35)	(3)	–	(39)
Income tax payable	–	(14)	(1)	–	(15)
	(86)	**(111)**	**(116)**	**(6)**	**(319)**
Total liabilities held for sale	**(299)**	**(164)**	**(230)**	**(95)**	**(788)**
Non-controlling interest	**–**	**–**	**(2)**	**–**	**(2)**
Total net assets held for sale	**87**	**148**	**115**	**181**	**531**

ERNEST HENRY
In November 2021, Glencore agreed to dispose of its 100% interest in Ernest Henry Mining Pty Ltd, a copper-gold mine in Queensland, Australia for AUD $1 billion (c.US$720 million), comprising AUD $800 million on closing and the balance (AUD $200 million) due 12 months post closing. The transaction closed in January 2022 (see note 23).

BOLIVIA
In October 2021, Glencore agreed to sell its Bolivian zinc assets (Sinchi Wayra and Illapa), to Santacruz Silver Mining Ltd, for approximately $110 million and a 1.5% NSR royalty over the life of the mines. $20 million is due on completion with the balance (c.$90 million) due over the following 4 years. The transaction closed in March 2022 (see note 23).

ACCESS WORLD
At 31 December 2021, Glencore was in advanced negotiations with a prospective buyer to dispose of its 100% interest in the Access World Group, a global storage and logistics group, for $180 million. The share purchase agreement was subsequently signed on 31 January 2022, with completion of the sale conditional on receipt of certain regulatory approvals and expected to occur in 2022.

E&P CHAD
In August 2021, Glencore agreed to dispose 100% of its Chad upstream oil operations to Perenco S.A.. The transaction closed in June 2022 (see note 23).

17. Share capital and reserves

	Number of ordinary shares (thousand)	Share capital (US$ million)	Share premium (US$ million)
Authorised:			
30 June 2022 and 31 December 2021 Ordinary shares with a par value of $0.01 each	50,000,000		
Issued and fully paid up:			
1 January 2022 and 31 December 2021 – Ordinary shares	**14,586,200**	**146**	**43,679**
Distributions declared (see note 19)	–	–	(3,400)
30 June 2022 – Ordinary shares	**14,586,200**	**146**	**40,279**

	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 2022	**1,390,388**	**(5,417)**	**99,213**	**(460)**	**1,489,601**	**(5,877)**
Own shares purchased during the period	80,255	(486)	–	–	80,255	(486)
Own shares disposed during the period	–	–	(93,567)	430	(93,567)	430
30 June 2022	**1,470,643**	**(5,903)**	**5,646**	**(30)**	**1,476,289**	**(5,933)**

OWN SHARES

Own shares comprise shares acquired under the Company's share buy-back 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 February 2022, Glencore announced a $550 million share buy-back programme, effected in accordance with the terms of the authority granted by shareholders at the 2021 Annual General Meeting. As at 30 June 2022, $452 million of shares have been purchased.

As at 30 June 2022, 1,476,288,511 shares (2021: 1,489,601,292 shares), including 1,470,642,776 (2021: 1,390,388,731) Treasury Shares, equivalent to 10.12% (2021: 10.21%) of the issued share capital were held at a cost of $5,933 million (2021: $5,877 million) and market value of $7,990 million (2021: $7,559 million).

18. Earnings per share

US$ million	**H1 2022**	H1 2021
Income attributable to equity holders of the Parent for basic earnings per share	**12,085**	**1,277**
Weighted average number of shares for the purposes of basic earnings per share (thousand)	13,125,785	13,230,784
Effect of dilution:		
Equity-settled share-based payments (thousand)	76,122	102,735
Weighted average number of shares for the purposes of diluted earnings per share (thousand)	13,201,907	13,333,519
Basic earnings per share (US$)	**0.92**	**0.10**
Diluted earnings per share (US$)	**0.92**	**0.10**

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 1/2021 as issued by the South African Institute of Chartered Accountants (SAICA), is reconciled using the following data:

US$ million	**H1 2022**	H1 2021
Income attributable to equity holders of the Parent for basic earnings per share	12,085	1,277
Net (gain)/loss on acquisitions and disposals[1]	(1,463)	1,014
Net (gain)/loss on acquisitions and disposals - non-controlling interest	(25)	–
Net (gain)/loss on acquisitions and disposals – tax	115	1
(Reversal of impairments)/impairments[2]	(40)	873
(Reversal of impairments)/impairments – non-controlling interest	(6)	(341)
Headline and diluted earnings for the period	**10,666**	**2,824**
Headline earnings per share (US$)	**0.81**	**0.21**
Diluted headline earnings per share (US$)	**0.81**	**0.21**

1 See note 5.

2 Comprises reversals of impairments of property, plant and equipment, investments and advances and loans (see note 8).

19. Distributions

The first tranche of the 2021 $0.26 per share (prior year: $0.12 per share) distribution of $0.13 per share amounting to $1,707 million (2021: $794 million) was paid on 20 May 2022, with the second tranche expected to be paid in September 2022 (see note 22).

20. Borrowings

US$ million	Notes	as at 30.06.2022	as at 31.12.2021
Non-current borrowings			
Capital market notes		19,304	22,376
Committed syndicated revolving credit facilities		689	2,543
Lease liabilities		981	1,093
Other bank loans		1,111	799
Total non-current borrowings		**22,085**	**26,811**
Current borrowings			
Secured inventory/receivables/other facilities	12/14/15	2,683	122
U.S. commercial paper		590	1,764
Capital market notes		2,949	2,884
Lease liabilities		500	525
Other bank loans		1,934	2,535
Total current borrowings		**8,656**	**7,830**
Total borrowings		**30,741**	**34,641**

RECONCILIATION OF CASH FLOW TO MOVEMENT IN BORROWINGS

H1 2022

US$ million	Borrowings excluding lease liabilities	Lease liabilities	**Total borrowings**	Cross currency and interest rate swaps and net margins[1]	**Total liabilities arising from financing activities**
1 January 2022	33,023	1,618	34,641	23	34,664
Cash related movements[2]					
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
	(2,262)	**(301)**	**(2,563)**	**(1,389)**	**(3,952)**
Non-cash related movements					
Borrowings acquired in business combinations[3]	52	30	82	–	82
Borrowings reclassified to held for sale[4]	(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
Other movements	(15)	12	(3)	–	(3)
	(1,501)	**164**	**(1,337)**	**1,374**	**37**
30 June 2022	**29,260**	**1,481**	**30,741**	**8**	**30,749**

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 24) and margin calls paid/received within accounts receivable/payable (see notes 15 and 22).
2 See consolidated statement of cash flows.
3 See note 23.
4 See note 16.

20. Borrowings continued

H1 2021

US$ million	Borrowings excluding lease liabilities	Lease liabilities	**Total borrowings**	Cross currency and interest rate swaps and net margins[1]	**Total liabilities arising from financing activities**
1 January 2021	35,958	1,521	37,479	91	37,570
Cash related movements[2]					
Proceeds from issuance of capital market notes	3,479	–	3,479	–	3,479
Repayment of capital market notes	(985)	–	(985)	–	(985)
Repurchase of capital market notes	(125)	–	(125)	–	(125)
Repayment of revolving credit facilities	(2,009)	–	(2,009)	–	(2,009)
Proceeds from other non-current borrowings	5	–	5	–	5
Repayment of other non-current borrowings	(385)	–	(385)	–	(385)
Repayment of lease liabilities	–	(307)	(307)	–	(307)
Margin payments in respect of financing related hedging activities	–	–	–	(372)	(372)
Proceeds from U.S. commercial papers	693	–	693	–	693
Repayment of current borrowings	(2,991)	–	(2,991)	–	(2,991)
	(2,318)	**(307)**	**(2,625)**	**(372)**	**(2,997)**
Non-cash related movements					
Fair value adjustment to fair value hedged borrowings	(253)	–	(253)	–	(253)
Fair value movement of hedging derivatives	–	–	–	467	467
Foreign exchange movements	(238)	(6)	(244)	–	(244)
Change in lease liabilities	–	620	620	–	620
Interest on convertible bonds	10	–	10	–	10
Other movements	30	3	33	–	33
	(451)	**617**	**166**	**467**	**633**
30 June 2021	**33,189**	**1,831**	**35,020**	**186**	**35,206**

COMMITTED SYNDICATED REVOLVING CREDIT FACILITIES

In March 2022 (effective May 2022), Glencore refinanced its short-term revolving credit facility.

As at 30 June 2022, the facilities comprise:

- a $6,535 million one year revolving credit facility with a one-year borrower's term-out option (to May 2024);
- a $450 million medium-term revolving credit facility (to May 2025); and
- a $4,200 million medium-term revolving credit facility (to May 2026).

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.

21. Provisions

US$ million	Notes	Rehabilitation costs	Onerous contracts	Legal investigations	Other provisions	**Total**
1 January 2022		5,731	455	1,500	524	8,210
Utilised		(81)	(91)	(334)	(116)	(622)
Released		–	–	–	(9)	(9)
Accretion		81	13	–	6	100
Assumed in business combination	23	998	–	–	73	1,071
Disposal of subsidiaries	23	(61)	–	–	–	(61)
Additions		103	16	–	161	280
Reclassification to held for sale	16	(22)	–	–	–	(22)
Effect of foreign currency exchange movements		(26)	(1)	–	(2)	(29)
30 June 2022		**6,723**	**392**	**1,166**	**637**	**8,918**
Current		321	116	1,166	178	1,781
Non-current		6,402	276	–	459	7,137

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 23 years (2021: 23 years).

ONEROUS CONTRACTS

Onerous contracts represent liabilities related to contractual take or pay commitments for securing coal logistics capacity and LNG re-gasification 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

The Board has appointed a committee, the Investigations Committee ("the Committee"), to oversee the response to the investigations on behalf of the Board.

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.

Under the terms of the US resolutions, Glencore will pay penalties of $700,706,965 to resolve bribery investigations and $485,638,885 to resolve market manipulation investigations by the Department of Justice ("DOJ") and the Commodity Futures Trading Commission ("CFTC"). Of this amount, up to $165,930,959 will be credited against other, parallel matters, including in the UK, so that the net amount payable to the US authorities is expected to be $1,020,414,891. Glencore further agreed to pay $39,598,367 under a resolution signed with the Brazilian Federal Prosecutor's Office ("MPF") in connection with its bribery investigation into the Group.

The Group has settled the amount due to the CFTC and expects to settle the amounts due to the DOJ during the second half of the year. The amount of the SFO penalty will be determined by a UK Court in November 2022. The Committee presently expects that the amount of the SFO penalty will not result in the amount being paid for all the resolutions differing materially from the initial $1,500 million provision originally recorded in the Company's 2021 financial statements. Accordingly, the Group has not adjusted the provision in respect of the United States, the United Kingdom and Brazil resolutions which as at 30 June 2022 amounts to $1,166 million.

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 27.

OTHER PROVISIONS

Other comprises provisions for possible demurrage, mine concession construction related claims and a royalty indemnification from business disposals (see note 23). This balance comprises no individually material provisions.

22. Accounts payable

US$ million	Notes	as at 30.06.2022	as at 31.12.2021
Financial liabilities at amortised cost			
Trade payables		11,646	10,397
Margin calls received		726	729
Associated companies		1,012	1,124
Shareholder distribution payable	19	1,693	–
Other payables and accrued liabilities		841	889
Financial liabilities at fair value through profit and loss			
Trade payables containing provisional pricing features	24	14,008	13,806
Non-financial instruments			
Advances settled in product		605	459
Other payables and accrued liabilities		1,747	1,460
Sales and other tax payables		319	449
Total		**32,597**	**29,313**

As at 30 June 2022, trade payables include $6,778 million (2021: $8,565 million) of liabilities arising from supplier financing arrangements, the weighted average of which have extended the settlement of the original payable to 74 days (2021: 77 days) after physical supply and are due for settlement 34 days (2021: 33 days) after period end.

23. Acquisition and disposal of subsidiaries and other entities

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 fair values are provisional pending review of the final valuations and are 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 mineral rights, plant and equipment, inventories, deferred taxes and provisions.

The net cash acquired / (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	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)	(49)	(327)
Provisions	(1,033)	(8)	(1,041)
	(1,324)	(57)	**(1,381)**
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**	**223**	**1,919**
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**	**97**	**1,126**
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%.

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 $2,937 million of revenue and $2,263 million of attributable income (including the bargain purchase gain) for the period ended 30 June 2022.

23. Acquisition and disposal of subsidiaries and other entities continued

2021 ACQUISITIONS

There were no material acquisitions.

2022 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	Ernest Henry[1]	Bolivia Zinc[1]	E&P Chad[1]	Other	**Total**
Non-current assets					
Property, plant and equipment	311	163	247	63	784
Intangible assets	–	2	–	–	2
Advances and loans	–	43	–	–	43
Deferred tax asset	16	13	–	–	29
	327	221	247	63	**858**
Current assets					
Inventories	16	97	21	6	140
Accounts receivable	24	90	19	8	141
Cash and cash equivalents	1	17	5	1	24
	41	204	45	15	**305**
Non-controlling interest	–	–	–	(5)	**(5)**
Non-current liabilities					
Non-current borrowings	–	(8)	–	–	(8)
Deferred income	(138)	–	–	–	(138)
Deferred tax liabilities	–	(4)	(3)	(2)	(9)
Non-current provisions	(74)	(26)	(86)	(59)	(245)
Post-retirement and other employee benefits	(1)	(16)	–	(1)	(18)
	(213)	(54)	(89)	(62)	**(418)**
Current liabilities					
Borrowings	–	(2)	–	–	(2)
Accounts payable	(30)	(139)	(7)	(8)	(184)
Provisions	(38)	(44)	–	(2)	(84)
Income tax payable	–	(13)	–	–	(13)
	(68)	(198)	(7)	(10)	**(283)**
Carrying value of net assets disposed	**87**	**173**	**196**	**1**	**457**
Cash and cash equivalents received	(585)	–	(17)	(32)	(634)
Items recycled to the statement of income	–	–	–	78	78
Royalty indemnification[2]	125	–	–	–	125
Future consideration	(139)	(69)	(145)	(4)	(357)
Net (gain)/loss on disposal	**(512)**	**104**	**34**	**43**	**(331)**
Cash and cash equivalents received	585	–	17	32	634
Less: cash and cash equivalents disposed	(1)	(17)	(5)	(1)	(24)
Net cash received from/(used in) disposal	**584**	**(17)**	**12**	**31**	**610**

1 As at 31 December 2021, total assets and liabilities were presented as current assets and liabilities "held for sale" (see note 16).

2 See note 21.

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 will be received over a 4 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.

23. Acquisition and disposal of subsidiaries and other entities continued

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.

2021 DISPOSALS

The carrying value of the assets and liabilities over which control was lost and consideration receivable from the 2021 disposals are detailed below:

US$ million	Mopani	Chemoil Terminals	Others	**Total**
Non-current assets				
Property, plant and equipment	748	158	20	926
Advances and loans	5	–	–	5
	753	158	20	**931**
Current assets				
Inventories	168	–	–	168
Accounts receivable	99	3	14	116
Prepaid expenses	3	–	–	3
Cash and cash equivalents	–	10	10	20
	270	13	24	**307**
Non-current liabilities				
Non-current borrowings	–	(6)	–	(6)
Deferred tax liabilities	–	(18)	(1)	(19)
Non-current provisions	(55)	–	(61)	(116)
Post-retirement and other employee benefits	(9)	–	–	(9)
	(64)	(24)	(62)	**(150)**
Current liabilities				
Borrowings	–	(1)	(1)	(2)
Accounts payable	(81)	(8)	–	(89)
Provisions	(23)	–	(16)	(39)
Income tax payable	(12)	–	–	(12)
	(116)	(9)	(17)	**(142)**
Carrying value of net assets disposed	**843**	**138**	**(35)**	**946**
Cash and cash equivalents received	–	(248)	(24)	(272)
Future consideration	(838)	–	–	(838)
Net loss/(gain) on disposal before non-controlling interest	**5**	**(110)**	**(59)**	**(164)**
Derecognition of non-controlling interest	1,017	–	–	1,017
Net loss/(gain) on disposal after non-controlling interest	**1,022**	**(110)**	**(59)**	**853**
Cash and cash equivalents received	–	248	24	272
Less: cash and cash equivalents disposed	–	(10)	(10)	(20)
Net cash received in disposal	**–**	**238**	**14**	**252**

Mopani

On 31 March 2021, Glencore completed the disposal of its 90% interest in Mopani to ZCCM Investments Holdings plc, the holder of the remaining 10% interest in Mopani, in exchange for $1 and the rights to offtake copper and other metals from Mopani until $1.5 billion of existing intercompany debt (the "transaction debt") has been repaid to Glencore. The repayment of the transaction debt is based on Glencore receiving physical commodities from Mopani through its offtake rights and applying fixed percentages of annual gross revenues generated from the sale of such commodities against the transaction debt until it is fully repaid. As Glencore is no longer able to unilaterally direct the key strategic, operating and capital decisions of Mopani, it was deemed to have disposed of its controlling interest at the fair value of the transaction debt on the date of completion, being $838 million. Fair value was determined using a discounted cash flow model of the projected amount and timing of metal volumes received from Mopani under the offtake rights and market forecasts of commodity prices, discounted using an asset specific discount rate of 11.4%.

The net loss on disposal reflects the derecognition to the statement of income of the previously recognised book value of the non-controlling interest equity balance, which largely related to the non-controlling interests' share of historical impairments and losses, and resulting net liabilities in Mopani.

Chemoil Terminals

On 17 December 2021, Glencore completed the disposal of its 100% interest in Chemoil Terminals LLC, which owns the Long Beach and Carson oil products storage terminals in California, for a consideration of $248 million.

24. 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 $29,260 million (2021: $33,023 million) of borrowings, the fair value of which at 30 June 2022 was $28,283 million (2021: $34,169 million). $7,115 million (2021: $10,132 million) represents the listed portion of the borrowings, based on quoted prices on active markets (a Level 1 fair value measurement), and $21,168 million (2021: $24,037 million) is based on observable market prices (a Level 2 fair value measurement).

As at 30 June 2022 US$ million	Amortised cost	FVTPL[1]	FVTOCI[2]	**Total**
Assets				
Other investments (see note 25)	–	8	640	648
Non-current other financial assets (see note 25)	–	88	–	88
Advances and loans (see note 13)	836	285	–	1,121
Accounts receivable (see note 15)	16,756	5,830	–	22,586
Other financial assets (see note 25)	–	10,771	–	10,771
Cash and cash equivalents	2,636	–	–	2,636
Total financial assets	**20,228**	**16,982**	**640**	**37,850**
Liabilities				
Borrowings (see note 20)	30,741	–	–	30,741
Non-current other financial liabilities (see note 25)	84	1,754	–	1,838
Accounts payable (see note 22)	15,918	14,008	–	29,926
Other financial liabilities (see note 25)	–	9,556	–	9,556
Total financial liabilities	**46,743**	**25,318**	**–**	**72,061**

1 FVTPL – Fair value through profit and loss.
2 FVTOCI – Fair value through other comprehensive income.

As at 31 December 2021 US$ million	Amortised cost	FVTPL[1]	FVTOCI[2]	Total
Assets				
Other investments (see note 25)	–	–	1,620	1,620
Non-current other financial assets (see note 25)	–	458	–	458
Advances and loans (see note 13)	795	163	–	958
Accounts receivable (see note 15)	11,672	5,523	–	17,195
Other financial assets (see note 25)	–	4,636	–	4,636
Cash and cash equivalents	3,241	–	–	3,241
Total financial assets	**15,708**	**10,780**	**1,620**	**28,108**
Liabilities				
Borrowings (see note 20)	34,641	–	–	34,641
Non-current other financial liabilities (see note 25)	87	623	–	710
Accounts payable (see note 22)	13,139	13,806	–	26,945
Other financial liabilities (see note 25)	–	6,077	–	6,077
Total financial liabilities	**47,867**	**20,506**	**–**	**68,373**

1 FVTPL – Fair value through profit and loss.
2 FVTOCI – Fair value through other comprehensive income.

24. 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 2022 and 31 December 2021 were as follows:

	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements				
As at 30 June 2022 US$ million	Gross amount	Amounts offset	**Net amount**	Financial instruments	Financial collateral	Net amount	**Amounts not subject to netting agreements**	**Total as presented in the consolidated statement of financial position**
Derivative assets[1]	43,901	(40,042)	**3,859**	(1,145)	(672)	2,042	**7,000**	**10,859**
Derivative liabilities[1]	(47,066)	40,042	**(7,024)**	1,145	5,073	(806)	**(4,370)**	**(11,394)**

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

	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements				
As at 31 December 2021 US$ million	Gross amount	Amounts offset	**Net amount**	Financial instruments	Financial collateral	Net amount	**Amounts not subject to netting agreements**	**Total as presented in the consolidated statement of financial position**
Derivative assets[1]	19,327	(17,846)	**1,481**	(437)	(315)	729	**3,613**	**5,094**
Derivative liabilities[1]	(22,166)	17,846	**(4,320)**	437	3,522	(361)	**(2,467)**	**(6,787)**

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.

25. 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 access 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.

25. 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 2022 and 31 December 2021. 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 2022

US$ million	Level 1	Level 2	Level 3	**Total**
Financial assets				
Accounts receivable (see note 15)	–	5,622	129	**5,751**
Deferred consideration (see note 13)	–	–	54	**54**
Convertible loan (see note 13)	–	–	200	**200**
Other investments (see note 12)	407	241	–	**648**
Financial assets	**407**	**5,863**	**383**	**6,653**
Other financial assets				
Commodity related contracts				
Futures	2,438	450	–	**2,888**
Options	121	41	–	**162**
Swaps	–	582	26	**608**
Physical forwards	–	3,862	3,005	**6,867**
Financial contracts				
Foreign currency and interest rate contracts	3	243	–	**246**
Current other financial assets (see note 24)	**2,562**	**5,178**	**3,031**	**10,771**
Non-current other financial assets				
Cross currency swaps	–	5	–	**5**
Foreign currency and interest rate contracts	–	1	–	**1**
Purchased call options over Glencore shares[1]	–	82	–	**82**
Non-current other financial assets (see note 24)	**–**	**88**	**–**	**88**
Total	**2,969**	**11,129**	**3,414**	**17,512**

As at 31 December 2021

US$ million	Level 1	Level 2	Level 3	**Total**
Financial assets				
Accounts receivable (see note 15)	–	5,269	175	**5,444**
Deferred consideration (see note 13)	–	–	135	**135**
Other investments (see note 12)	1,536	84	–	**1,620**
Financial assets	**1,536**	**5,353**	**310**	**7,199**
Other financial assets				
Commodity related contracts				
Futures[2]	420	138	–	**558**
Options	133	31	–	**164**
Swaps[2]	5	245	40	**290**
Physical forwards	–	2,878	646	**3,524**
Financial contracts				
Cross currency swaps	–	5	–	**5**
Foreign currency and interest rate contracts	–	95	–	**95**
Current other financial assets (see note 24)	**558**	**3,392**	**686**	**4,636**
Non-current other financial assets				
Cross currency swaps	–	125	–	**125**
Foreign currency and interest rate contracts	–	272	–	**272**
Purchased call options over Glencore shares[1]	–	61	–	**61**
Non-current other financial assets (see note 24)	**–**	**458**	**–**	**458**
Total	**2,094**	**9,203**	**996**	**12,293**

1 Call options over the Company's shares in relation to conversion rights of the $500 million non-dilutive convertible bond, due in 2025.

2 Certain prior year balances have been restated to conform with current year presentation of commodity related contracts classification.

25. Fair value measurements continued

FINANCIAL LIABILITIES

As at 30 June 2022

US$ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Accounts payable (see note 22)	–	14,008	–	**14,008**
Current financial liabilities	**–**	**14,008**	**–**	**14,008**
Other financial liabilities				
Commodity related contracts				
Futures	2,518	316	–	**2,834**
Options	78	87	–	**165**
Swaps	1,816	595	–	**2,411**
Physical forwards	–	3,584	368	**3,952**
Financial contracts				
Foreign currency and interest rate contracts	–	194	–	**194**
Current other financial liabilities (see note 24)	**4,412**	**4,776**	**368**	**9,556**
Non-current other financial liabilities				
Cross currency swaps	–	1,178	–	**1,178**
Foreign currency and interest rate contracts	–	264	–	**264**
Non-discretionary dividend obligation[1]	–	–	152	**152**
Option over non-controlling interest in Ale	–	–	22	**22**
Deferred consideration	–	–	56	**56**
Embedded call options over Glencore shares[2]	–	82	–	**82**
Non-current other financial liabilities (see note 24)	**–**	**1,524**	**230**	**1,754**
Total	**4,412**	**20,308**	**598**	**25,318**

As at 31 December 2021

US$ million	Level 1	Level 2	Level 3	Total
Financial liabilities				
Accounts payable (see note 22)	–	13,806	–	**13,806**
Current financial liabilities	**–**	**13,806**	**–**	**13,806**
Other financial liabilities				
Commodity related contracts				
Futures[3]	2,126	365	–	**2,491**
Options	52	92	–	**144**
Swaps[3]	859	161	–	**1,020**
Physical forwards	–	1,872	235	**2,107**
Financial contracts				
Cross currency swaps	–	227	–	**227**
Foreign currency and interest rate contracts	–	88	–	**88**
Current other financial liabilities (see note 24)	**3,037**	**2,805**	**235**	**6,077**
Non-current other financial liabilities				
Cross currency swaps	–	331	–	**331**
Foreign currency and interest rate contracts	–	12	–	**12**
Non-discretionary dividend obligation[1]	–	–	148	**148**
Option over non-controlling interest in Ale	–	–	22	**22**
Deferred consideration	–	–	49	**49**
Embedded call options over Glencore shares[2]	–	61	–	**61**
Non-current other financial liabilities (see note 24)	**–**	**404**	**219**	**623**
Total	**3,037**	**17,015**	**454**	**20,506**

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 (modelled mine life of 11 years as at 30 June 2022) and has no fixed repayment date and is not cancellable within 12 months.

2 Embedded call option bifurcated from the 2025 convertible bond.

3 Certain prior year balances have been restated to conform with current year presentation of commodity related contracts classification.

25. Fair value measurements continued

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

H1 2022

US$ million	Accounts Receivable	Physical forwards	Swaps	Other	Total Level 3
1 January 2022	175	411	40	(84)	**542**
Total (loss)/gain recognised in revenue	–	(110)	55	–	**(55)**
Total gain/(loss) recognised in cost of goods sold	–	2,555	(58)	–	**2,497**
Non-discretionary dividend obligation	–	–	–	(4)	**(4)**
Purchase of convertible loan	–	–	–	200	**200**
Fair value movement of deferred consideration	111	–	–	(88)	**23**
Realised	(157)	(219)	(11)	–	**(387)**
30 June 2022	**129**	**2,637**	**26**	**24**	**2,816**

H1 2021

US$ million	Accounts Receivable	Physical forwards	Options	Other	Total Level 3
1 January 2021	130	6	–	74	**210**
Total loss recognised in revenue	–	(54)	(3)	–	**(57)**
Total gain recognised in cost of goods sold	–	187	–	–	**187**
Non-discretionary dividend obligation	–	–	–	(9)	**(9)**
Fair value movement of deferred consideration	179	–	–	(133)	**46**
Realised	(121)	(39)	–	–	**(160)**
30 June 2021	**188**	**100**	**(3)**	**(68)**	**217**

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.

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.

25. Fair value measurements continued

US$ million			As at 30.06.2021	As at 31.12.2021
Swaps – Level 3		Assets	**26**	**40**
		Liabilities	**–**	**–**
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 $3 million (2021: $4 million) adjustment to the current carrying value.			
Physical Forwards – Level 3		Assets	**3,005**	**646**
		Liabilities	**(368)**	**(235)**
Valuation techniques and key inputs:	Discounted cash flow model			
Significant and other unobservable inputs:	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.			
Deferred consideration (Mototolo) – Level 3		Assets	**172**	**282**
		Liabilities	**–**	**–**
Valuation techniques and key inputs:	Discounted cash flow model			
Significant and other unobservable inputs:	– Long-term forecast commodity prices; – 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 $13 million (2021: $27 million) adjustment to the current carrying value.			
Deferred consideration (Orion) – Level 3		Assets	**11**	**28**
		Liabilities	**–**	**–**
Valuation techniques and key inputs:	Discounted cash flow model			
Significant and other unobservable inputs:	– Estimated production plan; – Long-term forecast commodity prices; – 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 gold price would result in no adjustment to the current carrying value of the asset, while a 10% decrease in gold price would result in a $4 million (2021: $9 million) negative adjustment			

25. Fair value measurements continued

US$ million			As at 30.06.2021	As at 31.12.2021
Non-discretionary dividend obligation – Level 3		Assets	**–**	–
		Liabilities	**(152)**	(148)
Valuation techniques:	Discounted cash flow model			
Significant and other unobservable inputs:	– 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 a $92 million (2021: $94 million) adjustment to the current carrying value.			
Option over non-controlling interest in Ale – Level 3		Assets	**–**	–
		Liabilities	**(22)**	(22)
Valuation techniques and key inputs:	Discounted cash flow model			
Significant unobservable inputs:	The resultant liability 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 is additionally sensitive to movement in the spot exchange rates between the Brazilian Real and US Dollar.			
Convertible loan (Li-Cycle) – Level 3		Assets	**200**	–
		Liabilities	**–**	–
Valuation techniques and key inputs:	Discounted cash flow and option pricing model – Share price; – Risk-free rate and volatility.			
Significant and other unobservable inputs:	The valuation remains sensitive to the share price and a 10% increase/decrease in share price assumptions would result in a $10 million adjustment to the current carrying value.			

26. 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 2022, $1,353 million (2021: $1,111 million), of which 89% (2021: 86%) 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 licenses 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 2022, $124 million (2021: $118 million) of such development expenditures are to be incurred, of which 23% (2021: 27%) 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 2022, $7,641 million (2021: $8,965 million) of procurement and $4,182 million (2021: $4,353 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 ($400 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.

RENEWAL OF MUTANDA'S MINING LICENCE AND 5% DILUTION

During the period, Mutanda Mining successfully completed each technical step for the renewal of its exploitation permits as per the DRC Mining Code and the renewal has been granted, however the registration of the titles by the Mines Registry (CAMI) is still outstanding. As per DRC Mining Code, Mutanda Mining initiated proceedings with the Kinshasa/Gombe District Court (TGI), which confirmed the renewal and ordered the CAMI to register and issue the titles in May 2022. The CAMI has appealed the TGI order and the appeal proceedings remain ongoing. Following issuance of the mining titles, 5% of the equity of Mutanda Mining will be transferred in accordance with the DRC Mining Code to an entity to be nominated by DRC Government.

27. 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 2022 and 31 December 2021, 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 21, the Group remains subject to investigations by the OAG and Dutch authorities. At 30 June 2022 taking account of all available evidence, the 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 has been contacted by certain government authorities in the jurisdictions that were in scope of the resolved investigations, as well as certain private parties that claim they were harmed by the conduct identified in the investigations, which could result in further investigations or proceedings. In addition, other authorities or parties may commence investigations or bring claims against the Group in connection with the resolved investigations or the matters under investigation and the Group may be the subject of legal claims brought by other parties in connection with these matters, including class action suits. In respect of these investigations or claims, taking into account all available evidence, the Committee does not consider it probable that a present obligation existed in relation to these investigations or 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.

28. 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 22). 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 2022, sales and purchases with associates and joint ventures amounted to $2,061 million (2021: $1,872 million) and $4,194 million (2021: $3,025 million) respectively.

29. Subsequent events

- On 1 May 2022, Glencore entered into an agreement to sell a royalty package by BaseCore Metals LP ("BaseCore") to Sandstorm Gold Ltd. ("Sandstorm") for total consideration of $525 million. BaseCore is owned 50:50 by Glencore and Ontario Teachers' Pension Plan Board. The transaction completed on 12 July and Glencore received, in aggregate, approximately $300 million in cash and Sandstorm shares for its 50% interest in BaseCore, including the retained cash on balance sheet, which was distributed to Glencore. A gain on disposal of non-current assets of some $130 million could result.
- Announced contemporaneously with these financial statements are additional shareholder returns expected to total up to approximately $4.5 billion.
- Other than noted above, there are no other reportable events since 30 June 2022.

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. In January 2022, Glencore completed the acquisition of the remaining 66.67% interest in the Cerrejón coal mine that it did not previously own (see note 23), increasing Glencore's ownership to 100% and providing it with the ability to exercise control and fully consolidate Cerrejón. Prior to the transaction, Glencore evaluated the performance of its 33.33% interest in Cerrejón under the proportionate consolidation method, such that 2021 segment comparatives reflect Glencore's proportionate share of the revenues, expenses, assets and liabilities of the investment.

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.

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.

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	H1 2022	H1 2021
Revenue – Marketing activities	115,729	83,919
Revenue – Industrial activities	40,783	27,675
Intersegment eliminations	(20,659)	(15,893)
Revenue - segmental	**135,853**	**95,701**
Proportionate adjustment material associates and joint ventures – revenue	(1,930)	(2,357)
Proportionate adjustment Volcan – revenue	512	461
Revenue – reported measure	**134,435**	**93,805**

Share of income from relevant material associates and joint ventures

US$ million	H1 2022	H1 2021
Associates' and joint ventures' Adjusted EBITDA	1,425	1,833
Depreciation and amortisation	(309)	(342)
Associates' and joint ventures' Adjusted EBIT	1,116	1,491
Net finance costs	36	(12)
Income tax expense	(402)	(554)
	(366)	(566)
Share of income from relevant material associates and joint ventures	**750**	**925**
Share of income from other associates and joint ventures	504	93
Share of income from associates and joint ventures[1]	**1,254**	**1,018**

1 Comprises share in earnings of $294 million (2021: $190 million) from Marketing activities and share in earnings of $960 million (2021: $828 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 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	H1 2022	H1 2021
Reported measures		
Revenue	134,435	93,805
Cost of goods sold	(118,765)	(89,070)
Selling and administrative expenses	(1,360)	(1,034)
Share of income from associates and joint ventures	1,254	1,018
Dividend income	43	6
	15,607	**4,725**
Adjustments to reported measures		
Share of associates' significant items	–	11
Movement in unrealised inter-segment profit elimination	(488)	83
Proportionate adjustment material associates and joint ventures – net finance, impairment and income tax expense	366	566
Proportionate adjustment Volcan – net finance, income tax expense and non-controlling interests	(70)	(80)
Adjusted EBIT	**15,415**	**5,305**
Depreciation and amortisation	3,306	3,105
Proportionate adjustment material associates and joint ventures – depreciation	309	342
Proportionate adjustment Volcan – depreciation	(112)	(98)
Adjusted EBITDA	**18,918**	**8,654**

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 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.

Reconciliation of net significant items H1 2021

US$ million	Gross significant charges	Non-controlling interests' share	Significant items tax	Equity holders' share
Share of Associates' significant items[1]	(11)	–	–	(11)
Movement in unrealised inter-segment profit elimination[1]	(83)	–	13	(70)
Loss on acquisitions and disposals of non-current assets[2]	(969)	–	–	(969)
Other expense – net[3]	(282)	(3)	(7)	(292)
Tax significant items in their own right[4]	–	–	(74)	(74)
	(1,345)	(3)	(68)	(1,416)
Impairments attributable to equity holders				
Impairments[5]	(862)	342	–	(520)
	(862)	342	–	(520)
Total significant items	**(2,207)**	**339**	**(68)**	**(1,936)**

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 ($19 million) less tax losses not recognised ($2 million) and adjustments in respect of prior years ($91 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 2022**	H1 2021
Income for the period attributable to equity holders of the Parent	12,085	1,277
Significant items	(1,236)	1,936
Income attributable to equity holders of the Parent pre-significant items	**10,849**	**3,213**

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 2022, $25,679 million (2021: $24,795 million) of inventories were considered readily marketable. This comprises $17,238 million (2021: $16,073 million) of inventories carried at fair value less costs of disposal and $8,441 million (2021: $8,722 million) carried at the lower of cost or net realisable value. Total readily marketable inventories includes $195 million (2021: $125 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 2022

US$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	**Adjusted measure**
Non-current borrowings	22,085	662	(775)	21,972
Current borrowings	8,656	25	(26)	8,655
Total borrowings	**30,741**	**687**	**(801)**	**30,627**
Less: cash and cash equivalents	(2,636)	(160)	156	(2,640)
Net funding	**28,105**	**527**	**(645)**	**27,987**
Less: Readily marketable inventories	(25,484)	(195)	–	(25,679)
Net debt	**2,621**	**332**	**(645)**	**2,308**

Net funding/net debt at 31 December 2021

US$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	Adjusted measure
Non-current borrowings	26,811	467	(485)	26,793
Current borrowings	7,830	29	(434)	7,425
Total borrowings	**34,641**	**496**	**(919)**	**34,218**
Less: cash and cash equivalents	(3,241)	(371)	231	(3,381)
Net funding	**31,400**	**125**	**(688)**	**30,837**
Less: Readily marketable inventories	(24,670)	(125)	–	(24,795)
Net debt	**6,730**	**–**	**(688)**	**6,042**

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	**H1 2022**	H1 2021
Capital expenditure – Marketing activities	101	666
Capital expenditure – Industrial activities	1,967	1,843
Capital expenditure - segmental	**2,068**	**2,509**
Proportionate adjustment material associates and joint ventures – capital expenditure	(272)	(325)
Proportionate adjustment Volcan – capital expenditure	107	66
Capital expenditure – reported measure	**1,903**	**2,250**

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 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)**

Six months ended 30 June 2021

US$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	**Adjusted measure**
Purchase of property, plant and equipment	(1,546)	(321)	57	(1,810)
Proceeds from sale of property, plant and equipment	41	2	–	43
Net purchase and sale of property, plant and equipment	**(1,505)**	**(319)**	**57**	**(1,767)**

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 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**

Last Twelve Months ("LTM") key ratios calculation 2022

US$ million	FFO	Adjusted EBITDA
Full year 2021	17,057	21,323
Less: H1 2021	(7,310)	(8,654)
H2 2021	9,747	12,669
Add: H1 2022	15,425	18,918
LTM	**25,172**	**31,587**
Net debt at 30 June 2022		**2,308**
FFO to Net debt		**1090.6%**
Net debt to Adjusted EBITDA		**0.07**

Six months ended 30 June 2021

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	7,181	–	–	7,181
Addback EBITDA of relevant material associates and joint ventures	–	1,833	(183)	1,650
Non-cash adjustments included within EBITDA	–	6	(3)	3
Adjusted cash generated by operating activities before working capital changes, interest and tax	7,181	1,839	(186)	8,834
Income taxes paid	(678)	(425)	(1)	(1,104)
Interest received	46	–	–	46
Interest paid	(504)	(5)	29	(480)
Dividends received from associates and joint ventures	950	(936)	–	14
Funds from operations (FFO)	**6,995**	**473**	**(158)**	**7,310**

OTHER RECONCILIATIONS

AVAILABLE COMMITTED LIQUIDITY[1]

US$ million	**as at 30.06.2022**	as at 31.12.2021
Cash and cash equivalents – reported	2,636	3,241
Proportionate adjustment – cash and cash equivalents	4	140
Headline committed syndicated revolving credit facilities	11,185	11,222
Amount drawn under syndicated revolving credit facilities	(689)	(2,543)
Amounts drawn under U.S. commercial paper programme	(590)	(1,764)
Total	**12,546**	**10,296**

1 Presented on an adjusted measured basis.

CASH FLOW RELATED ADJUSTMENTS H1 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**

CASH FLOW RELATED ADJUSTMENTS H1 2021

US$ million	Reported measure	Proportionate adjustment material associates and joint ventures	Proportionate adjustment Volcan	**Adjusted measure**
Funds from operations (FFO)	6,995	473	(158)	7,310
Working capital changes	(544)	(46)	54	(536)
Purchase of investments	(13)	–	–	(13)
Proceeds from sale of investments	174	–	–	174
Purchase of property, plant and equipment	(1,546)	(321)	57	(1,810)
Proceeds from sale of property, plant and equipment	41	2	–	43
Margin payments in respect of financing related hedging activities	(372)	–	–	(372)
Return of capital/distributions to non-controlling interests	(152)	–	–	(152)
Purchase of own shares	(131)	–	–	(131)
Distributions paid to equity holders of the Parent	(794)	–	–	(794)
Cash movement in net funding	**3,658**	**108**	**(47)**	**3,719**

Applicable tax rate

The 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 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)**
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.

RECONCILIATION OF TAX EXPENSE H1 2021

US$ million	**Total**
Adjusted EBIT, pre-significant items	5,305
Net finance costs	(598)
Adjustments for:	
Net finance costs from material associates and joint ventures	(12)
Proportional adjustment and net finance costs - Volcan	32
Share of income from other associates pre-significant items	(104)
Profit on a proportionate consolidation basis before tax and pre-significant items	**4,623**
Income tax expense, pre-significant items	(1,001)
Adjustments for:	
Tax expense from material associates and joint ventures	(554)
Tax expense from Volcan	31
Tax expense on a proportionate consolidation basis	**(1,524)**
Applicable tax rate	**33.0%**

US$ million	Pre-significant tax expense	Significant items tax[1]	**Total tax expense**
Tax expense on a proportionate consolidation basis	1,524	68	1,592
Adjustment in respect of material associates and joint ventures – tax	(554)	–	(554)
Adjustment in respect of Volcan – tax	31	–	31
Tax expense on the basis of the income statement	**1,001**	**68**	**1,069**

1 See table above.

PRODUCTION BY QUARTER – Q2 2021 TO Q2 2022

Metals and minerals

PRODUCTION FROM OWN SOURCES – TOTAL[1]

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Copper	kt	296.8	297.5	300.2	257.8	252.4	510.2	598.0	(15)	(15)
Cobalt	kt	8.0	8.6	7.9	9.7	11.0	20.7	14.8	40	38
Zinc	kt	299.2	274.0	262.0	241.5	239.2	480.7	581.8	(17)	(20)
Lead	kt	61.7	56.4	48.9	46.8	48.3	95.1	117.0	(19)	(22)
Nickel	kt	22.5	23.4	31.2	30.7	27.1	57.8	47.7	21	20
Gold	koz	199	170	216	189	145	334	423	(21)	(27)
Silver	koz	8,223	7,810	7,725	6,515	6,064	12,579	15,984	(21)	(26)
Ferrochrome	kt	374	298	397	387	399	786	773	2	7
Coal	mt	24.2	27.6	27.0	28.5	26.9	55.4	48.7	14	11
Oil (entitlement interest basis)	kboe	1,486	1,588	1,129	1,500	1,632	3,132	2,557	22	10

PRODUCTION FROM OWN SOURCES – COPPER ASSETS[1]

			Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
African Copper (Katanga, Mutanda, Mopani)											
Katanga	Copper metal	kt	67.3	71.8	61.0	50.3	45.8	96.1	131.6	(27)	(32)
	Cobalt[2]	kt	6.1	6.9	5.0	4.9	6.4	11.3	11.9	(5)	5
Mutanda	Copper metal	kt	–	–	6.3	5.3	8.6	13.9	–	n.m.	n.m.
	Cobalt[2]	kt	1.1	1.0	1.8	3.9	3.8	7.7	1.1	600	245
Mopani	Copper metal	kt	–	–	–	–	–	–	6.5	(100)	n.m.
	Total Copper metal	**kt**	**67.3**	**71.8**	**67.3**	**55.6**	**54.4**	**110.0**	**138.1**	**(20)**	**(19)**
	Total Cobalt[2]	**kt**	**7.2**	**7.9**	**6.8**	**8.8**	**10.2**	**19.0**	**13.0**	**46**	**42**
Collahuasi[3]	**Copper in concentrates**	**kt**	**74.2**	**65.3**	**66.0**	**65.7**	**62.1**	**127.8**	**145.9**	**(12)**	**(16)**
	Silver in concentrates	**koz**	**1,170**	**978**	**990**	**939**	**864**	**1,803**	**2,251**	**(20)**	**(26)**
	Gold in concentrates	**koz**	**12**	**11**	**12**	**11**	**8**	**19**	**22**	**(14)**	**(33)**
Antamina[4]	**Copper in concentrates**	**kt**	**37.4**	**38.1**	**38.7**	**36.8**	**40.4**	**77.2**	**73.2**	**5**	**8**
	Zinc in concentrates	**kt**	**42.2**	**38.9**	**34.6**	**37.7**	**34.5**	**72.2**	**80.2**	**(10)**	**(18)**
	Silver in concentrates	**koz**	**1,558**	**1,548**	**1,452**	**1,279**	**1,327**	**2,606**	**3,135**	**(17)**	**(15)**
Other South America (Antapaccay, Lomas Bayas)											
Antapaccay	Copper in concentrates	kt	40.5	41.3	45.5	37.4	36.3	73.7	84.0	(12)	(10)
	Gold in concentrates	koz	24	16	22	14	15	29	52	(44)	(38)
	Silver in concentrates	koz	303	336	416	343	300	643	630	2	(1)
Lomas Bayas	Copper metal	kt	16.4	15.6	16.5	17.6	17.4	35.0	32.2	9	6
	Total Copper metal	**kt**	**16.4**	**15.6**	**16.5**	**17.6**	**17.4**	**35.0**	**32.2**	**9**	**6**
	Total Copper in concentrates	**kt**	**40.5**	**41.3**	**45.5**	**37.4**	**36.3**	**73.7**	**84.0**	**(12)**	**(10)**
	Total Gold in concentrates and in doré	**koz**	**24**	**16**	**22**	**14**	**15**	**29**	**52**	**(44)**	**(38)**
	Total Silver in concentrates and in doré	**koz**	**303**	**336**	**416**	**343**	**300**	**643**	**630**	**2**	**(1)**

Metals and minerals

PRODUCTION FROM OWN SOURCES – COPPER ASSETS[1] CONTINUED

			Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Australia (Ernest Henry, Cobar)[5]											
Ernest Henry											
	Copper metal	kt	10.9	12.2	10.7	–	–	–	21.9	(100)	(100)
	Gold	koz	21	10	15	–	–	–	39	(100)	(100)
	Silver	koz	46	51	45	–	–	–	99	(100)	(100)
Cobar	Copper in concentrates	kt	10.3	9.5	11.8	9.3	9.5	18.8	19.2	(2)	(8)
	Silver in concentrates	koz	111	117	136	111	101	212	206	3	(9)
	Total Copper metal	**kt**	**10.9**	**12.2**	**10.7**	**–**	**–**	**–**	**21.9**	**(100)**	**(100)**
	Total Copper in concentrates	**kt**	**10.3**	**9.5**	**11.8**	**9.3**	**9.5**	**18.8**	**19.2**	**(2)**	**(8)**
	Total Gold	**koz**	**21**	**10**	**15**	**–**	**–**	**–**	**39**	**(100)**	**(100)**
	Total Silver	**koz**	**157**	**168**	**181**	**111**	**101**	**212**	**305**	**(30)**	**(36)**
Total Copper department											
	Copper	**kt**	**257.0**	**253.8**	**256.5**	**222.4**	**220.1**	**442.5**	**514.5**	**(14)**	**(14)**
	Cobalt	**kt**	**7.2**	**7.9**	**6.8**	**8.8**	**10.2**	**19.0**	**13.0**	**46**	**42**
	Zinc	**kt**	**42.2**	**38.9**	**34.6**	**37.7**	**34.5**	**72.2**	**80.2**	**(10)**	**(18)**
	Gold	**koz**	**57**	**37**	**49**	**25**	**23**	**48**	**113**	**(58)**	**(60)**
	Silver	**koz**	**3,188**	**3,030**	**3,039**	**2,672**	**2,592**	**5,264**	**6,321**	**(17)**	**(19)**

Metals and minerals

PRODUCTION FROM OWN SOURCES – ZINC ASSETS[1]

			Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Kazzinc											
	Zinc metal	**kt**	**33.2**	**34.2**	**42.7**	**35.9**	**31.6**	**67.5**	**71.0**	**(5)**	**(5)**
	Zinc in concentrates	**kt**	**–**	**–**	**–**	**0.3**	**6.1**	**6.4**	**–**	**n.m.**	**n.m.**
	Lead metal	**kt**	**4.9**	**5.7**	**4.9**	**5.4**	**4.4**	**9.8**	**9.2**	**7**	**(10)**
	Copper metal[6]	**kt**	**4.9**	**4.7**	**7.3**	**6.1**	**4.2**	**10.3**	**13.6**	**(24)**	**(14)**
	Gold	**koz**	**139**	**129**	**163**	**158**	**119**	**277**	**303**	**(9)**	**(14)**
	Silver	**koz**	**485**	**640**	**980**	**837**	**603**	**1,440**	**1,301**	**11**	**24**
Kazzinc – total smelter production including third party feed											
	Zinc metal	*kt*	*70.6*	*68.2*	*76.4*	*71.7*	*68.5*	*140.2*	*146.8*	*(4)*	*(3)*
	Lead metal	*kt*	*26.4*	*27.1*	*28.9*	*27.7*	*28.0*	*55.7*	*55.1*	*1*	*6*
	Copper metal	*kt*	*11.0*	*10.1*	*15.9*	*15.3*	*12.3*	*27.6*	*26.2*	*5*	*12*
	Gold	*koz*	*211*	*212*	*269*	*216*	*210*	*426*	*444*	*(4)*	*–*
	Silver	*koz*	*5,132*	*5,185*	*6,378*	*5,731*	*5,517*	*11,248*	*10,891*	*3*	*8*
Australia (Mount Isa, McArthur River)											
Mount Isa	Zinc in concentrates	kt	86.4	82.8	75.6	63.7	72.9	136.6	171.4	(20)	(16)
	Copper metal	kt	20.7	25.9	25.0	16.8	12.2	29.0	40.6	(29)	(41)
	Lead in concentrates	kt	39.4	32.8	24.5	22.6	29.3	51.9	75.6	(31)	(26)
	Silver	koz	115	159	235	113	125	238	231	3	9
	Silver in concentrates	koz	1,427	1,246	869	741	1,080	1,821	2,603	(30)	(24)
Mount Isa, Townsville – total production including third party feed											
	Copper metal	*kt*	*55.5*	*65.2*	*51.9*	*46.7*	*37.0*	*83.7*	*109.7*	*(24)*	*(33)*
	Gold	*koz*	*43*	*35*	*42*	*34*	*36*	*70*	*84*	*(17)*	*(16)*
	Silver	*koz*	*366*	*440*	*700*	*427*	*457*	*884*	*689*	*28*	*25*
McArthur River	Zinc in concentrates	kt	74.2	69.9	72.0	71.6	67.8	139.4	137.7	1	(9)
	Lead in concentrates	kt	14.2	14.4	15.7	15.5	12.5	28.0	25.1	12	(12)
	Silver in concentrates	koz	471	460	602	539	330	869	741	17	(30)
	Total Zinc in concentrates	**kt**	**160.6**	**152.7**	**147.6**	**135.3**	**140.7**	**276.0**	**309.1**	**(11)**	**(12)**
	Total Copper	**kt**	**20.7**	**25.9**	**25.0**	**16.8**	**12.2**	**29.0**	**40.6**	**(29)**	**(41)**
	Total Lead in concentrates	**kt**	**53.6**	**47.2**	**40.2**	**38.1**	**41.8**	**79.9**	**100.7**	**(21)**	**(22)**
	Total Silver	**koz**	**115**	**159**	**235**	**113**	**125**	**238**	**231**	**3**	**9**
	Total Silver in concentrates	**koz**	**1,898**	**1,706**	**1,471**	**1,280**	**1,410**	**2,690**	**3,344**	**(20)**	**(26)**
North America (Matagami, Kidd)											
Matagami	Zinc in concentrates	kt	11.0	12.3	10.0	8.9	8.4	17.3	25.1	(31)	(24)
	Copper in concentrates	kt	1.6	2.2	1.7	1.5	1.7	3.2	3.2	–	6
Kidd	Zinc in concentrates	kt	15.8	9.9	10.7	9.0	13.6	22.6	28.1	(20)	(14)
	Copper in concentrates	kt	6.8	5.7	3.1	4.8	8.3	13.1	14.4	(9)	22
	Silver in concentrates	koz	405	309	307	220	529	749	767	(2)	31
	Total Zinc in concentrates	**kt**	**26.8**	**22.2**	**20.7**	**17.9**	**22.0**	**39.9**	**53.2**	**(25)**	**(18)**
	Total Copper in concentrates	**kt**	**8.4**	**7.9**	**4.8**	**6.3**	**10.0**	**16.3**	**17.6**	**(7)**	**19**
	Total Silver in concentrates	**koz**	**405**	**309**	**307**	**220**	**529**	**749**	**767**	**(2)**	**31**

Metals and minerals

PRODUCTION FROM OWN SOURCES – ZINC ASSETS[1] CONTINUED

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Other Zinc: South America (Bolivia, Peru)[7]										
Zinc in concentrates	**kt**	**36.4**	**26.0**	**16.4**	**14.4**	**4.3**	**18.7**	**68.3**	**(73)**	**(88)**
Lead in concentrates	**kt**	**3.2**	**3.5**	**3.8**	**3.3**	**2.1**	**5.4**	**7.1**	**(24)**	**(34)**
Copper in concentrates	**kt**	**0.4**	**0.3**	**0.5**	**0.4**	**0.3**	**0.7**	**0.9**	**(22)**	**(25)**
Silver in concentrates	**koz**	**2,051**	**1,889**	**1,634**	**1,351**	**757**	**2,108**	**3,860**	**(45)**	**(63)**
Total Zinc department										
Zinc	**kt**	**257.0**	**235.1**	**227.4**	**203.8**	**204.7**	**408.5**	**501.6**	**(19)**	**(20)**
Lead	**kt**	**61.7**	**56.4**	**48.9**	**46.8**	**48.3**	**95.1**	**117.0**	**(19)**	**(22)**
Copper	**kt**	**34.4**	**38.8**	**37.6**	**29.6**	**26.7**	**56.3**	**72.7**	**(23)**	**(22)**
Gold	**koz**	**139**	**129**	**163**	**158**	**119**	**277**	**303**	**(9)**	**(14)**
Silver	**koz**	**4,954**	**4,703**	**4,627**	**3,801**	**3,424**	**7,225**	**9,503**	**(24)**	**(31)**

Metals and minerals

PRODUCTION FROM OWN SOURCES – NICKEL ASSETS[1]

			Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)											
	Nickel metal	**kt**	**13.7**	**12.8**	**14.3**	**15.9**	**11.8**	**27.7**	**27.9**	**(1)**	**(14)**
	Nickel in concentrates	**kt**	**–**	**0.1**	**–**	**–**	**0.1**	**0.1**	**0.1**	**–**	**n.m.**
	Copper metal	**kt**	**3.2**	**3.2**	**3.7**	**4.0**	**3.2**	**7.2**	**6.6**	**9**	**–**
	Copper in concentrates	**kt**	**2.2**	**1.7**	**2.4**	**1.8**	**2.4**	**4.2**	**4.2**	**–**	**9**
	Cobalt metal	**kt**	**0.2**	**0.2**	**0.3**	**0.2**	**0.1**	**0.3**	**0.6**	**(50)**	**(50)**
	Gold	**koz**	**3**	**4**	**4**	**6**	**3**	**9**	**7**	**29**	**–**
	Silver	**koz**	**81**	**77**	**59**	**42**	**48**	**90**	**160**	**(44)**	**(41)**
	Platinum	**koz**	**6**	**8**	**9**	**7**	**10**	**17**	**16**	**6**	**67**
	Palladium	**koz**	**18**	**21**	**23**	**25**	**25**	**50**	**39**	**28**	**39**
	Rhodium	**koz**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**–**	**–**
Integrated Nickel Operations – total production including third party feed											
	Nickel metal	*kt*	*22.8*	*24.0*	*21.8*	*22.6*	*19.8*	*42.4*	*45.4*	*(7)*	*(13)*
	Nickel in concentrates	*kt*	*0.1*	*–*	*0.1*	*0.1*	*–*	*0.1*	*0.2*	*(50)*	*(100)*
	Copper metal	*kt*	*4.9*	*5.1*	*5.2*	*5.1*	*5.0*	*10.1*	*9.8*	*3*	*2*
	Copper in concentrates	*kt*	*3.2*	*1.8*	*2.5*	*2.2*	*3.3*	*5.5*	*6.0*	*(8)*	*3*
	Cobalt metal	*kt*	*1.0*	*1.0*	*1.0*	*0.9*	*0.7*	*1.6*	*2.0*	*(20)*	*(30)*
	Gold	*koz*	*8*	*6*	*8*	*9*	*7*	*16*	*15*	*7*	*(13)*
	Silver	*koz*	*137*	*121*	*121*	*126*	*127*	*253*	*269*	*(6)*	*(7)*
	Platinum	*koz*	*14*	*17*	*20*	*17*	*22*	*39*	*36*	*8*	*57*
	Palladium	*koz*	*47*	*57*	*58*	*62*	*63*	*125*	*105*	*19*	*34*
	Rhodium	*koz*	*1*	*1*	*1*	*1*	*1*	*2*	*2*	*–*	*–*
Murrin Murrin											
	Total Nickel metal	**kt**	**5.6**	**7.4**	**9.6**	**7.7**	**9.4**	**17.1**	**13.1**	**31**	**68**
	Total Cobalt metal	**kt**	**0.6**	**0.5**	**0.8**	**0.7**	**0.7**	**1.4**	**1.2**	**17**	**17**
Murrin Murrin – total production including third party feed											
	Total Nickel metal	*kt*	*6.1*	*8.4*	*11.0*	*8.9*	*10.7*	*19.6*	*14.3*	*37*	*75*
	Total Cobalt metal	*kt*	*0.6*	*0.6*	*0.9*	*0.8*	*0.8*	*1.6*	*1.3*	*23*	*33*
Koniambo	**Nickel in ferronickel**	**kt**	**3.2**	**3.1**	**7.3**	**7.1**	**5.8**	**12.9**	**6.6**	**95**	**81**
Total Nickel department											
	Nickel	**kt**	**22.5**	**23.4**	**31.2**	**30.7**	**27.1**	**57.8**	**47.7**	**21**	**20**
	Copper	**kt**	**5.4**	**4.9**	**6.1**	**5.8**	**5.6**	**11.4**	**10.8**	**6**	**4**
	Cobalt	**kt**	**0.8**	**0.7**	**1.1**	**0.9**	**0.8**	**1.7**	**1.8**	**(6)**	**–**
	Gold	**koz**	**3**	**4**	**4**	**6**	**3**	**9**	**7**	**29**	**–**
	Silver	**koz**	**81**	**77**	**59**	**42**	**48**	**90**	**160**	**(44)**	**(41)**
	Platinum	**koz**	**6**	**8**	**9**	**7**	**10**	**17**	**16**	**6**	**67**
	Palladium	**koz**	**18**	**21**	**23**	**25**	**25**	**50**	**39**	**28**	**39**
	Rhodium	**koz**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**–**	**–**

Metals and minerals

PRODUCTION FROM OWN SOURCES – FERROALLOYS ASSETS[1]

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Ferrochrome[8]	kt	374	298	397	387	399	786	773	2	7
Vanadium pentoxide	mlb	5.5	4.2	5.3	5.5	4.4	9.9	11.0	(10)	(20)

TOTAL PRODUCTION – CUSTOM METALLURGICAL ASSETS[1]

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Copper (Altonorte, Pasar, Horne, CCR)										
Copper metal	kt	127.6	121.5	114.3	108.8	123.2	232.0	254.8	(9)	(3)
Copper anode	kt	109.5	94.4	123.4	111.4	126.8	238.2	236.2	1	16
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)										
Zinc metal	kt	195.8	206.7	195.5	179.0	171.9	350.9	398.4	(12)	(12)
Lead metal	kt	52.3	62.3	80.4	82.0	77.0	159.0	102.2	56	47

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 Mount Isa copper operations (including Townsville) previously recorded under copper department moved to zinc department.
6 Copper metal includes copper contained in copper concentrates and blister.
7 South American production excludes Volcan Compania Minera.
8 The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture.

Energy products

PRODUCTION FROM OWN SOURCES – COAL ASSETS[1]

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Australian coking coal	mt	1.7	2.5	2.5	2.1	1.8	3.9	4.1	(5)	6
Australian semi-soft coal	mt	1.4	0.9	1.0	0.9	0.9	1.8	2.6	(31)	(36)
Australian thermal coal (export)	mt	13.0	15.5	15.4	13.4	14.2	27.6	25.0	10	9
Australian thermal coal (domestic)	mt	1.2	1.6	1.8	1.4	1.6	3.0	2.6	15	33
South African thermal coal (export)	mt	3.7	3.9	3.1	3.4	2.9	6.3	7.7	(18)	(22)
South African thermal coal (domestic)	mt	1.4	1.2	1.0	1.1	0.9	2.0	3.1	(35)	(36)
Cerrejón[2]	mt	1.8	2.0	2.2	6.2	4.6	10.8	3.6	200	156
Total Coal department	**mt**	**24.2**	**27.6**	**27.0**	**28.5**	**26.9**	**55.4**	**48.7**	**14**	**11**

OIL ASSETS

		Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	**H1 2022**	H1 2021	Change H1 22 vs H1 21 %	Change Q2 22 vs Q2 21 %
Glencore entitlement interest basis										
Equatorial Guinea	kboe	1,245	1,294	818	1,227	1,318	2,545	2,029	25	6
Cameroon	kbbl	241	294	311	273	314	587	528	11	30
Total Oil department	**kboe**	**1,486**	**1,588**	**1,129**	**1,500**	**1,632**	**3,132**	**2,557**	**22**	**10**
Gross basis										
Equatorial Guinea	kboe	6,041	6,233	4,086	5,956	6,406	12,362	9,818	26	6
Cameroon	kbbl	699	729	730	680	676	1,356	1,407	(4)	(3)
Total Oil department	**kboe**	**6,740**	**6,962**	**4,816**	**6,636**	**7,082**	**13,718**	**11,225**	**22**	**5**

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 2021 numbers represented the Group's pro-rata share of Cerrejón production (33.3%). Glencore acquired the remaining 66.7% of Cerrejón in January 2022, such that 2022 production is presented on a 100% basis.

FULL YEAR 2022 PRODUCTION GUIDANCE

		Actual FY 2019	Actual FY 2020	**Actual FY 2021**	**Previous guidance 2022**	**Current guidance 2022**		2022 weighting H1	H2
Copper	kt	1,371	1,258	**1,196**	**1,110 ± 30**	**1,060 ± 30**		48%	52%
Cobalt	kt	46.3	27.4	**31.3**	**45 ± 3**	**45 ± 3**		46%	54%
Zinc	kt	1,078	1,170	**1,118**	**1,010 ± 30**	**1,010 ± 30**	1	48%	52%
Nickel	kt	121	110	**102**	**118 ± 5**	**118 ± 5**		49%	51%
Ferrochrome	kt	1,438	1,029	**1,468**	**1,500 ± 30**	**1,500 ± 30**		52%	48%
Coal	mt	140	106	**103**	**121 ± 5**	**121 ± 5**		46%	54%

1 Excludes Volcan.

Changes in guidance mainly reflect:

- Copper down 50kt (5%) – primarily due to the ongoing geotechnical constraints facing Katanga's open pit and management of higher levels of acid-consuming ore, as well as reflecting the lower YTD run-rate at Mount Isa Copper, in large part due to Covid-19 related absenteeism
- Coal – the negative effect on volumes from the recent flooding event in New South Wales and associated delays in restoring mine production and logistics infrastructure has not yet been incorporated in the guidance table above, pending final assessment