



**Voluntary Tax
Transparency Report**
Australia 2019

Glencore Agriculture

We are Glencore Agriculture¹, a global leader in the sourcing, handling, processing and marketing of agricultural commodities and products. Glencore Agriculture has operated as a stand-alone business since Glencore PLC divested in 2016.

With operations in more than 35 countries and over 13,000 employees, we create value for producers at origin and customers at destination. Our business covers the whole supply chain from the farm gate to the customer.

We source commodities such as grains, oilseeds, pulses, rice, sugar and cotton from producers.

Using our network of storage facilities, processing plants and transport assets we process, manage and supply these commodities and products to our customers around the world. Our customers include the processing industry (food, animal feed and consumer products), local importers and distributors and governments.

Through our industry insight, strong relationships and network of assets, we focus on the sustainability, safety, quality and reliability in everything we do.

GLENCORE AGRICULTURE SHAREHOLDERS

On 1 December 2016, 49.98% of Glencore Agriculture's shares were acquired by two Canadian investors:

Canada Pension Plan Investment Board (CPPIB):

CPPIB is a professional investment management organisation that invests the funds not needed by Canada Pension Plan to pay current benefits in the best interests of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2020, the CPP Fund totalled CAD434 billion.

British Columbia Investment Management Corporation (BCI):

With more than CAD170 billion of assets, BCI is one of Canada's largest institutional investors within the global capital markets. Based in Victoria, British Columbia, BCI is a long-term institutional investor that invests in all major asset classes. Their clients include public sector pension plans, public trusts and insurance funds.

Furthermore, an Employee Trust has a 0.03% equity interest in Glencore Agriculture with Glencore Plc owning the remaining 49.99% equity interest in Glencore Agriculture.

GOVERNANCE TRANSITION

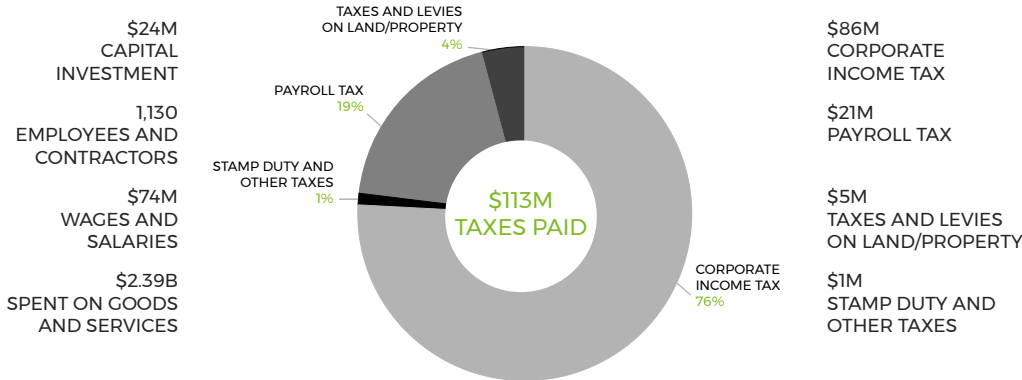
Over 2019 and during 2020, Glencore Agriculture continued its transition to a fully independent stand-alone group through bedding down of its independent governance structure and the firm establishment of its own stand-alone capital structure and credit profile.

As part of this process, Glencore Agriculture approved, implemented and adopted the Glencore Agriculture's Group Tax Policy as well as other new policies and procedures rolled out globally.

¹ For the purposes of this report, Glencore Agriculture Ltd and its related affiliates are collectively referred to as 'Glencore Agriculture', 'the Group' or 'the Company'. The Group is undergoing a rebranding process, which commenced in November 2020. The rebrand is due to be finalised in May 2021 and will see all Glencore Agriculture businesses rebranded to Viterra.

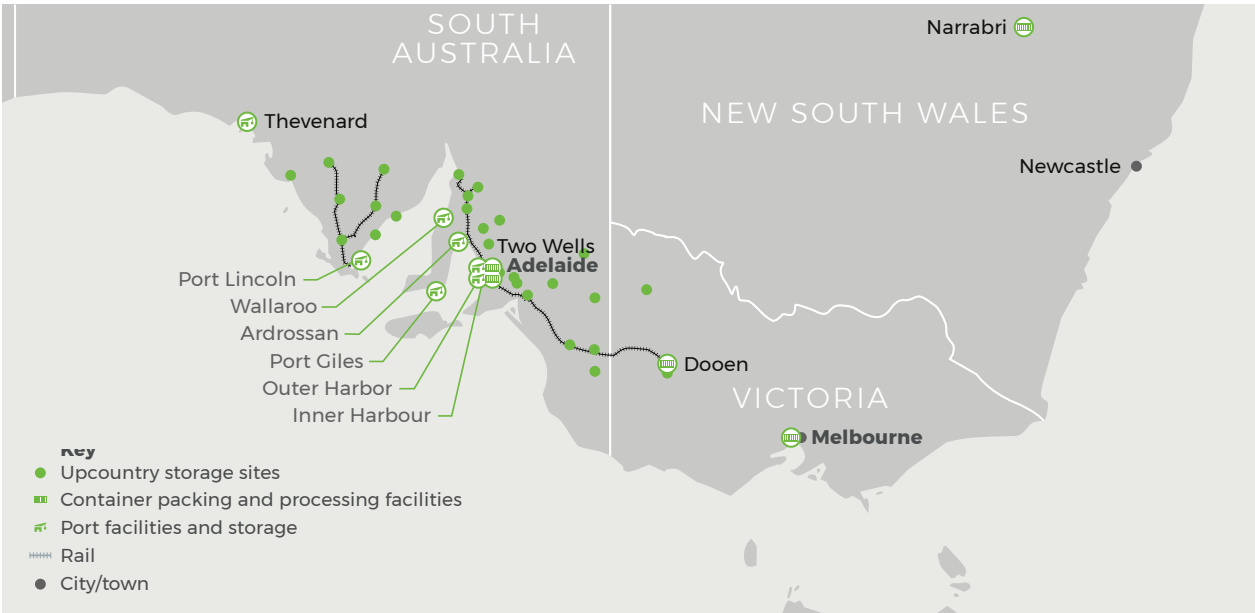
Glencore Agriculture Australia

Our 2019 Contribution



We are a significant contributor to the agricultural industry in Australia, connecting agricultural commodities safely and efficiently between growers and customers at home and overseas. We source, handle, store, transport and market a range of agricultural commodities, including wheat, barley, oilseeds, pulses, sorghum, meals and cotton. In 2019, our origination and marketing/distribution business bought more than 4.1 million tonnes of agricultural commodities directly from growers across Australia to connect with domestic and overseas customers. Viterro's storage and handling business received 4.0 million tonnes of grain in 2019, with 2.5 million tonnes shipped through its South Australian ports on behalf of 12 exporters.

STORAGE AND HANDLING SITES	About 10 million tonnes total storage, with sites ranging in capacity from 6,000 tonnes to over 600,000 tonnes		
COMMODITIES	<ul style="list-style-type: none"> Wheat Barley Canola Lentils 	<ul style="list-style-type: none"> Peas Chickpeas Faba beans Lupins 	<ul style="list-style-type: none"> Sorghum Protein meals Cotton
CORPORATE OFFICES	<ul style="list-style-type: none"> Adelaide 	<ul style="list-style-type: none"> Melbourne 	
GRAIN ACCUMULATION OFFICES	<ul style="list-style-type: none"> Fremantle Dooen 	<ul style="list-style-type: none"> Wagga Wagga Narrabri 	<ul style="list-style-type: none"> Toowoomba



Approach to tax and transparency

Glencore Agriculture is committed to high standards of corporate governance and tax transparency including compliance with all applicable tax laws, rules and regulations. Glencore Agriculture seeks to maintain long-term, open, transparent and cooperative relationships with tax authorities in all our host countries.

As part of our commitment to Australian corporate tax transparency, Glencore Agriculture adopted the Australian Board of Taxation's voluntary Tax Transparency Code (the Code) from 2018.

This Tax Transparency disclosure has been prepared to meet the requirements of the Code for all Australian entities controlled by (ultimately) Glencore Agriculture Limited ("GAL"). The disclosure includes details of our tax policy, strategy and governance; and details of effective tax rate, taxes paid and international related party dealings as required under the code.

TAX GOVERNANCE AND TAX RISK MANAGEMENT

Glencore Agriculture's global tax strategy and governance focus is disclosed in its Group Tax Policy, which is available at viterra.com/Who-we-are/Governance.

The Australian operations also have a robust Tax Governance Framework which espouses the principles of both the Global Code of Conduct and the Group Tax Policy. At the foundation this Tax framework is the following Glencore Agriculture standard:

"We are fully committed to comply with all applicable taxation laws including the relevant reporting requirements that may arise in the jurisdictions in which we operate.

We subscribe to a transparent approach with all our stakeholders. Our tax policy forms part of the Group's enterprise risk management policy and complies with all the values and principle so embedded in it.

The pricing of transactions between Glencore Agriculture companies must comply with the arm's length principle as defined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and Article 9 of the OECD Model Tax Convention, which includes mandatory country-by-country reporting obligations.

We aim to ensure all tax returns and payments to governments are submitted accurately and payments are made on time."

The pricing of transactions between Glencore Agriculture companies is based on fair market terms, whereby exchanges of goods, property and services are conducted on an arm's length basis.

TRANSPARENCY

We welcome fiscal transparency as it encourages the responsible management of revenues from our activities. We believe that countries that transparently and effectively allocate natural resource wealth for the benefit of their communities have the potential to attract greater, more responsible and longer-term business investment.

Our Board and Audit Committee engages with senior management to understand the potential tax exposures globally and the key estimates taken in determining the positions recorded, including the status of communications with local tax authorities and the carrying values of deferred tax assets.

TAX DISPUTES

Reflecting the complexity of our operations, uncertainty around application of tax law at times (as tax laws are inherently complex and subject to interpretation) and the legitimate concern of tax administrations to collect the full amounts due to them, our arrangements are subject to careful scrutiny and even occasional dispute.

We approach both scrutiny and dispute in a fair and transparent manner, but we resolutely defend the principle that profit must be taxed only once and that tax administrations are as bound in law by the Transfer Pricing Guidelines as we are.

INTRA-GROUP TRANSACTIONS

The Glencore Agriculture group is comprised of a number of separate legal entities established across a large number of jurisdictions. Like many multinational enterprises, our business activities are co-ordinated (in terms of personnel, assets and capital) on a worldwide basis.

International tax law and, in particular, the OECD Transfer Pricing Guidelines and Article 9 of the OECD Model Tax Convention governs the allocation of overall group profitability between jurisdictions. They require that individual entities within the group transact with each other at the same price that they would if they were independent parties and in due recognition of the true value to be accorded to the transaction.

Model Tax Convention governs the allocation of overall group profitability between jurisdictions. They require that individual entities within the

group transact with each other at the same price that they would if they were independent parties and in due recognition of the true value to be accorded to the transaction.

The purpose of this allocation and of the Guidelines is twofold: for the fair division of Group profit to enable the levying of tax according to where it is earned; and to ensure that the same profit is taxed once and only once. The Group tax policies commit us to not engineer structures or transactions that exploit transfer pricing rules by artificially 'transferring' profit into lower tax jurisdictions. We can and do trace all intragroup transactions to value adding commercial activities.

Given the complexity of the Group's operations, our transfer pricing can, and should be, subject to careful scrutiny.

MARKETING BUSINESS

Glencore Agriculture's marketing activities source a diversified range of commodity products from third party farmers, third party marketers and its asset-owning companies (processing plants, storage facilities such as silos and grain elevators, and certain port infrastructure including terminals). Glencore Agriculture also provides value added services such as freight, third party insurance coordination, financing and/or storage, to a broad range of consumers and industrial commodity end users.

Our integrated marketing and network of asset-owning companies work side-by-side to give us presence across the entire supply chain, delivering in-depth knowledge of market supply and demand dynamics and an ability to rapidly adjust to market conditions.

All marketing arrangements within the group are priced using the "arm's length" principle in line with guidelines issued by the OECD and in accordance with local jurisdiction transfer pricing legislation.

LOW TAX JURISDICTIONS

In recent years, governments, the media and the public at large have raised legitimate questions in connection with the alleged diversion of business profits by multinational enterprises into low tax jurisdictions mainly in order to avoid paying local taxes.

We do not undertake any such activity. Both the Group tax policies and our adherence to the OECD Transfer Pricing Guidelines forbid the allocation of profit to jurisdictions that do not provide value-adding activities and do not have any real commercial substance.

APPROACH TO DEALINGS WITH TAX AUTHORITIES

Glencore Agriculture recognises the important role of all tax authorities in the various jurisdictions in which the Group operates, confirming them as stakeholders in its business.

It is Glencore Agriculture's policy to be transparent and proactive in all interactions with tax authorities.

In Australia, we have constructive relationships with the tax authorities and regularly engage with the ATO throughout the year to provide assurance over our tax governance practices and to ensure that tax calculations and payments accord with tax law. Nevertheless, we recognise that on occasion there will be areas in which our legal interpretation may differ from that of the ATO and where the tax treatment of activities and transactions is uncertain. In such cases, Glencore Agriculture will engage in proactive discussions with the ATO with a view to bringing matters to a reasonable conclusion as rapidly and equitably as possible.

RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX PAYABLE

The Glencore Agriculture companies in Australia are members of a Multiple Entry Consolidated (MEC) group for income tax purposes. The provisional head entity of the MEC group is Glencore Grain Holdings Australia Pty Ltd (GGHA). All the entities in the MEC group are wholly owned. The entities include our grain trading business based in Melbourne headed by Glencore Agriculture Pty Ltd and our Viterra storage and handling business based in Adelaide. The two business groups are reported separately for financial reporting purposes and prepare separate General Purpose Financial Statements in accordance with both Australian Accounting Standards and International Financial Reporting Standards.

This report sets out the aggregated tax balances of the two business groups mentioned above.

	AU\$ million
Glencore Grain Holdings Australia Pty Ltd and its controlled entities ²	(11.7)
Viterra Holdings Pty Ltd and its controlled entities	14.8
ACCOUNTING PROFIT FOR AUSTRALIAN AND NEW ZEALAND GROUP	3.1
Income tax expense calculated at 30%	0.9
<i>Tax effects of:</i>	
Non-deductible items	7.5
Other	(0.2)
INCOME TAX EXPENSE	8.3
<i>Temporary differences</i>	
Tax losses	(0.8)
Fixed assets	2.1
Other financial assets/liabilities	12.2
Section 40-880 costs	0.9
Inventory	(4.6)
Employee and other provisions	0.0
Other	2.1
INCOME TAX PAYABLE FOR THE CURRENT YEAR	20.3
Income tax payable at start of the current year (restated)	134.3
Other	20.9
Income tax paid in the current year	(89.4)
INCOME TAX PAYABLE AT YEAR END	86.1

Tax payable is based on taxable income at the prevailing jurisdictional tax rate.

² Includes GGHA's controlled New Zealand subsidiary

IDENTIFICATION OF MATERIAL TEMPORARY & NON-TEMPORARY DIFFERENCES

A material difference arose in 2019 in relation to a non-deductible penalty issued by the Australian Taxation Office in respect of misstatements on foreign exchange amounts reported in GGHA's tax return for prior years.

EFFECTIVE TAX RATES

Australian operations	266%
Global operations	29%

The accounting effective tax rate is calculated as the income tax expense divided by accounting profit as per AASB112.

INTERNATIONAL RELATED PARTY DEALINGS

Our Australian business has dealings with related parties which are conducted on an arm's length principle in line with OECD guidelines and the Australian transfer pricing legislation. International related party commodity and service transactions occur primarily between Australian and the group's main trading offices in the Netherlands and Singapore, and to a lesser extent with Glencore Agriculture's subsidiaries in other jurisdictions.

During 2020, international related party dealings comprised predominately of sales and purchases of commodities, and financing. We disclose all international related party dealings to the Australian Taxation Office through the lodgement of our tax returns and other co-operative compliance activities such as the Pre-lodgement Compliance Review (PCR) arrangement, Country-by-Country reporting and the Master and Local Files. The principal type of dealings between the GGHA MEC group and its international related parties are described at a high level below:

KEY INTERNATIONAL RELATED PARTY DEALINGS	DESCRIPTION	SIGNIFICANT JURISDICTIONS
Purchases and sales of commodities	<p>Australian entities sell various commodities and also purchase commodities for sale to the Australian (domestic) market from the trading offices in the Netherlands and Singapore.</p> <p>Agricultural commodity trading occurs in an active global market which provides a deep and standard pricing methodology from the transparent market prices. Accordingly, the prices that Glencore's Australian Agriculture entity pays or receives closely match what third party customers would pay for the same commodities. This is in line with the arm's length principle in accordance with the OECD Transfer Pricing guidelines and Australian domestic transfer pricing legislation.</p>	Netherlands Singapore
Financing	<p>As a large business, our Australian operations are financed by a mixture of shareholders equity, external debt, related party debt, and internal capital.</p> <p>Where interest is charged on related party debt, the pricing is on an arm's length basis and benchmarked according to the OECD Transfer Pricing Guidelines and transfer pricing for the relevant jurisdictions.</p> <p>The Australian entities withhold and remit applicable interest withholding tax.</p>	Netherlands

ATO TAX TRANSPARENCY DISCLOSURES IN DECEMBER 2020

In late 2020, the ATO will release the Corporate Tax Transparency Report for 2018-19. This report contains the total income, taxable income and tax payable for the 2019 income year for all public Australian companies with total income in excess of AUD100m.

This information will be published on the Australian Government Data website.

The tax data that will be published for GGHA MEC Group will be in respect of the calendar year ended 31 December 2018 is as follows:

ATO CORPORATE TAX TRANSPARENCY DISCLOSURES	
2018-19 information for the Australian tax consolidated group headed by GGHA	(11.7)
	AU\$ million
Total income	2,509.7
Taxable income	154.3
Income tax payable	46.3
RECONCILIATION TO ATO CORPORATE TAX TRANSPARENCY DISCLOSURES	
	AU\$ million
Total income	2,509.7
Total expenses	(2351.0)
Total profit ³	158.7
Tax adjustments (net) ⁴	(4.4)
Tax losses utilised	0.0
Taxable income	154.3
Tax @ 30%	46.3
Tax offsets	(0.1)
Income tax payable	46.3
Income tax paid	(47.1)
Income tax refund	0.9
Outstanding income tax liability for year ended 31 December 2018	0.0

³ Represents profit for the aggregated GGHA MEC group for the year ended 31 December 2018.

⁴ Represents differences between income and expense recognition for accounting and tax purposes.