

PLAN SPONSOR PROFILE FOR AIMSE 2024

NAME OF PLAN: Glencore Canada Corporation (Glencore)

REPRESENTATIVE CONTACT INFORMATION

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PLAN OVERVIEW

Glencore has five defined benefit pension plans in Canada. Total AUM at Dec 31, 2023 ~\$1.8B. The plan assets are shown in Diagram 1, with the plan descriptor providing additional information regarding its registration in Quebec (Qu) or Ontario (ON), whether employees covered are unionized (Un) or salaried (Sal), whether closed or open to new members, and if inflation-linked (i) benefits are offered.

All the DB pension plans are mature and cash flow negative, with benefit payments significantly exceeding contributions. In each of the last ten years, Glencore has purchased ~\$1.2B annuities total on a systematic basis to reduce the overall liability profile and to close a plan.

Glencore Canada Corporation's pension investments are pooled and available to all the plans. Fixed income assets have been invested in a core-plus strategy with a long duration since 2001. Opportunistic fixed income strategies have been implemented based on structural market imbalances. Private debt allocations began in 2017 and include a segregated portfolio and funds in US corporate lending, global infrastructure debt, and real estate debt (primarily US).

Public equities are 80% invested in five concentrated global equity mandates, and the remaining 20% are invested in two diversified global emerging markets equity mandates. Factor exposures are considered when building the equity portfolio but the plans generally favour long-term growth.

Like most plans, the allocation to private investments remains overweight relative to the plan policies due to the denominator effect. Real estate and infrastructure allocations are comprised of both open and closed-end funds. Global allocations are preferred.

Glencore has a number of capital accumulation plans (CAPs) in Canada. Total AUM at Sept 30, 2023 ~\$638M. The plan assets are shown in Diagram 1. SunLife is the recordkeeper for the Glencore CAP program.

CAP investment options include an indexed target date fund series (default), individual options in traditional asset classes (active and passive), and a target risk fund series customized using Glencore's active and passive individual options. Education plans require implementation across Glencore's 13 worksites.

Projects under consideration for 2024 include:

- CAP member asset allocation reset
- Reviewing the CAP active fixed income option
- Considering diversified alternatives option for CAP
- Asset-Liability studies for four DB plans
 - De-risking strategies to protect the plan surplus
- ESG reporting and exposures

Areas of mid-term interest include:

- CAP: Target Date Funds, unique approaches; Improved member engagement approaches, decumulation
- Private debt – open-end funds
- Real estate – global or international, diversified open-end funds
- Custodial review
- Integration of AI, opportunities, risk management, changing labour force
- Unique opportunistic strategies based on structural shifts in markets

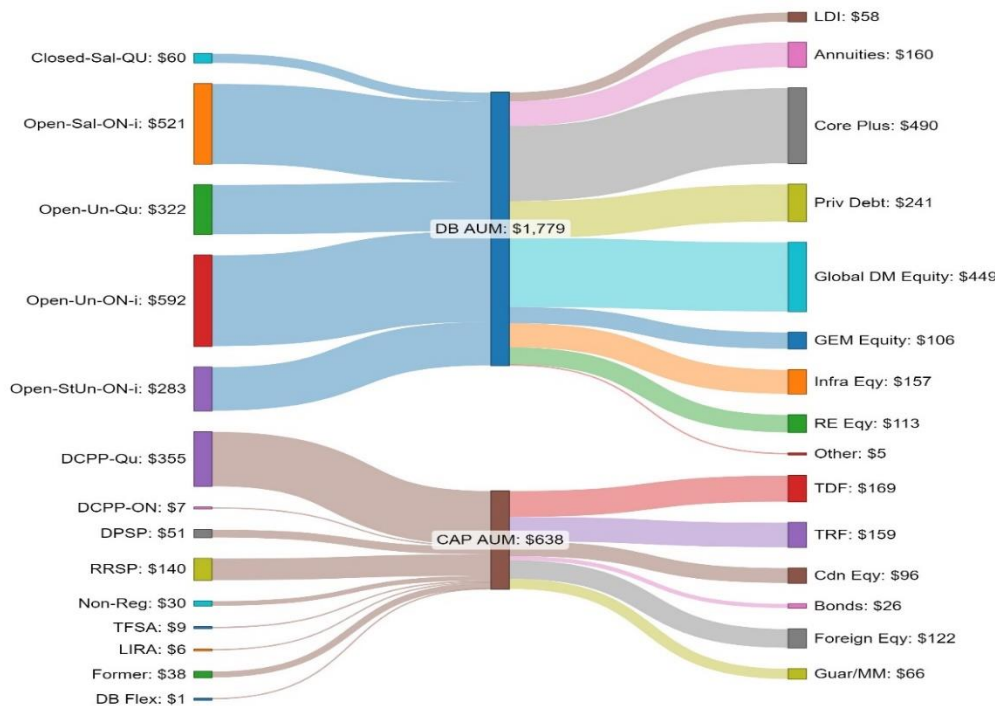
Areas of less interest:

- Private equity, venture capital – no allocations expected
- Hedge funds – no allocations expected
- Commodities – no allocations expected

Glencore employs consultants as an extension of its lean investment team. WTW assists with performance measurement and investment policy issues on an ongoing basis. Mercer is our plan actuary and has assisted with strategy. Over the last several years, manager searches were conducted with experts, including Mercer for global and emerging markets equity mandates; WTW for LDI and real estate equity mandates; Normandin Beaudry for fixed income private debt mandates; and CBRE Global Investments for infrastructure equity mandates. Mercer, Eckler and SunLife have assisted with CAP strategy, investment reviews and manager selection.

The Pension Governing Committee is comprised of senior executives of Glencore’s commodity businesses and corporate group and is responsible for strategy, policy, and asset mix. The Pension Management Committee is comprised of Glencore Canada employees and is responsible for implementation, provider oversight, and recommendations. These committees oversee the administration of both the DB plans and CAPs. As Quebec registered plans, three plans each have their own pension committee.

Diagram 1: Glencore Canadian Pension Plans and Aggregate Asset Allocation



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Note: Market values (preliminary) as of December 31, 2023 for DB Plans, and September 30, 2023 for CAP