



China's GEM Co. Ltd and Glencore extend their long-term strategic cobalt partnership

Baar, Switzerland **3 December 2020**

Following the [announcement](#) issued in October 2019, Glencore and GEM are pleased to announce that they have extended their partnership for the supply of cobalt hydroxide by another five years and have formally embedded responsible sourcing and sustainability into the contractual relationship.

Under the terms of the agreement, Glencore will provide around 150,000 tonnes of cobalt contained in hydroxide for GEM between 2020 and 2029.

Glencore and GEM are committing each other to annual audits under OECD-aligned standards, specifically, the Cobalt Refiner Supply Chain Due Diligence Standard developed by the Responsible Minerals Initiative (RMI), Responsible Cobalt Initiative (RCI) and Chinese Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME). This shared commitment will help to demonstrate strong responsible sourcing practices and transparency across multiple points along the supply chain.

The Cobalt Institute, which counts Glencore as one of its members, has developed the Cobalt Industry Responsible Assessment Framework (CIRAF), an industry-wide risk management tool that helps cobalt supply chain players identify production and sourcing related risks. This long-term strategic cobalt partnership includes a commitment to use CIRAF when communicating publicly on environmental and social issues specific to the cobalt supply chain.

Mr Xu, Kai Hua, Chairman of GEM, commented:

“Despite the COVID-19 pandemic in 2020, the adoption of new energy vehicles is accelerating, and there is no doubt that they are revolutionizing the world's automobile industry. As a result, cobalt, as one of the key raw materials for EV batteries, will become a global strategic resource of extreme importance for the rapidly growing new energy vehicles market in China and the rest of the world.

“Glencore, the world's largest producer of responsible cobalt, has maintained strong cooperation with GEM for many years. This 10-year cobalt supply agreement reflects a deepening of the strategic cooperation between cobalt resources and the market in the face of the changing competitive landscape and the booming trend of new energy in the world and will fundamentally stabilize the development of GEM cobalt products. There is a huge demand for cobalt resources in the global market.

“There is no doubt that this agreement provides a long-term guarantee for the supply of responsibly mined cobalt to help stabilize the global share of GEM cobalt products. This agreement will also help address the demand for cobalt in China's new energy market. After the signing of this agreement GEM will no longer worry about the supply of responsible cobalt. GEM can focus on the manufacturing of cobalt products to meet the global demand for quality and technological innovation.

“The partnership between Glencore and GEM sets an excellent example of focusing on responsible sourcing and sustainability across the supply chain.

“GEM highly value the foresight and strategic vision of Glencore. The cooperation between GEM and Glencore is a happy one, the world of cobalt is very beautiful!”

Nico Paraskevas, Head of Marketing, Copper and Cobalt, Glencore, commented:

"We are pleased to extend our partnership with GEM. Cobalt provides thermal stability and longevity of performance in batteries and therefore has a key role to play in enabling the transition to a low carbon economy.

"Long term security of cobalt supply and cobalt demand visibility are critical to prevent supply shortages that could impede the energy transition and, ultimately, the world's ability to meet climate change targets. As the cobalt supply chain matures with greater emphasis on long term partnerships, this contract is just one example of Glencore and its customers working together towards the adoption of industry leading standards on responsible sourcing and environmental and social corporate governance."

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Notes for Editors

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With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by its global marketing network.

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's companies employ around 160,000 people, including contractors.

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.

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