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**M.8208 – CPPIB / GLENCORE / GLENCORE AGRI**

**SECTION 1.2**

**Description of the concentration**

- (1) This notification relates to the proposed acquisition by Canada Pension Plan Investment Board (**CPPIB**) of a 39.99% interest in Glencore Agriculture Limited (**Glencore Agri**) (**Proposed Concentration**). Glencore Agri is currently fully owned by Glencore plc (**Glencore**). Pursuant to the Proposed Concentration, CPPIB will, for the purposes of the EU Merger Regulation, acquire joint control over Glencore Agri together with Glencore.
- (2) CPPIB is an investment management organization that invests the funds of the Canada Pension Plan. CPPIB principally invests in public equities, private equities, real estate, infrastructure and fixed income investments.
- (3) Glencore is a global, diversified, natural resource company which produces and markets a variety of commodities. Glencore's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities worldwide. Its customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries.
- (4) Glencore Agri comprises the agricultural business of Glencore and is predominantly focused on three main product divisions, (i) grains, (ii) oilseeds and (iii) other products including processing business units such as wheat milling in Brazil, rice milling in Argentina and Uruguay and sugar production in Brazil.
- (5) The Proposed Concentration affords CPPIB the opportunity to increase its existing activities in the agricultural sector through obtaining a stake in a leading, global, integrated agricultural business. In partnering with Glencore, CPPIB receives the benefit of Glencore's expertise in this market.
- (6) From Glencore's perspective, the Proposed Concentration will provide the opportunity to enter into a strategic relationship with a well-recognised professional investor, to jointly develop its agricultural business unit through organic as well as external growth. The strategic partnership, in the long run, is expected to maximise the long-term value to all shareholders with a future path to liquidity. Glencore intends to apply the proceeds of the Proposed Concentration to pay down its net debt.