

# Glencore – a critical fact sheet

The Swiss mining giant Glencore plc [describes itself](#) as a vertically-integrated natural resource company. It is involved at every stage of the supply chain of its products, from extraction and processing through to marketing and trading.

- Copper, nickel and cobalt, coal, oil, agricultural products, and more
- Headquarters in Baar, Switzerland
- Operations in over 35 countries, managed through a network of subsidiaries
- Current company created through a merger of Glencore with Xstrata in 2013
- Listed on the London Stock Exchange since 2011, with a secondary listing on the Johannesburg Stock Exchange since 2013
- [Valued at US\\$ 86.4 billion](#) at the end of 2022
- In [top25](#) of biggest companies by revenue worldwide

As Glencore has [reached its current position](#) as one of the biggest companies in the world, its business model continues to have severe consequences for the surrounding population and environment.

Here follows an overview of Glencore's recent malpractices.

## Funding repression of affected communities

In the Philippines, Colombia and Peru, there are credible allegations that Glencore and its subsidiaries have funded violent repression of civil society members who oppose its mining projects. In the Philippines, Sagittarius Mines Inc – at the time majority owned by Glencore-Xstrata – bought the rights to develop a copper-gold mine within the land of the B'laan, one of the indigenous communities of Southern Mindanao. The B'laan [organised against the occupation of their land](#), and in response Glencore-Xstrata are alleged to have [created and bankrolled a secret paramilitary unit](#) in 2012, that terrorised the community, murdering tribal leaders and their families for opposing the mine.

Similar allegations have been leveled against Colombian mining group Prodeco, which is wholly owned by Glencore.

Former Prodeco personnel and paramilitary commanders [have stated](#) that Prodeco, along with another mining company in the region (U.S.-based Drummond), financed and collaborated with paramilitary death squads that murdered people in the way of expanding mining operations, resulting in 3,100 deaths and tens of thousands of displaced persons in the years 1996-2006. Following the paramilitary onslaught, the lands of displaced communities often passed into the hands of mining companies [through irregular \(bad faith\) acquisitions](#). More recently, it was revealed that Prodeco had at least three [contracts with the Colombian armed forces](#) between 2015-2019 that would provide "special attention" to the area around Prodeco's mines and that the company paid a total of \$316,000 for that service.

In Peru, severe environmental impacts and lack of social investments in relation to the copper mines led to popular protests in 2012. In response a Glencore-Xstrata director [asked the police](#) to take a "direct, proactive and strong approach" against the community, and is alleged to have paid the equivalent of US\$ 1.1 million for the services of about 1,300 Peruvian national police, equipping them with rubber bullets and tear gas, and stationing them in barracks in their mine. The police attacked the

protesters, killing two, torturing and injuring many more. Despite human rights claims the company continues the violent practice. In 2020 community protests towards the mine again were encountered with [police brutality](#), leaving one adult and two minors injured by gunshots, torturing at least 30 community members, and still operating from the mine site.



### Polluting vital water supplies

Glencore's mines have had devastating impacts on their surrounding environments, with deadly consequences for those who live nearby. In some cases, rivers have been diverted to fuel Glencore's mines, even in areas where water is scarce, and the remaining water supply is often so polluted with lead and other heavy metals that it is unfit to support life.

In Cerro de Pasco, Peru, for example, waste from Glencore's Volcan mine has left [rivers polluted](#) with 160 times the maximum permissible level of lead. 78%

of children in the city show symptoms of heavy metal poisoning. Respiratory and skin diseases are common within the communities living nearest to the mines: People have permanent flu, intestinal problems due to polluted water and air pollution/fine dust; the fine dust with heavy metals may cause cancer and malformation in children. Mineworkers suffer from problems with the spinal column and pneumoconiosis.

In the Democratic Republic of Congo Glencore has two major copper-cobalt subsidiaries, KCC and MUMI. The last decade numerous [toxic spills and dumps of mine waste water](#) have polluted fresh water, fields and livestock in the areas surrounding the mines, leaving the neighboring community without drinking water, crop and income losses and health impacts that besides diarrhea and skin rashes are not well documented. Glencore has been confronted with studies stating that the local water supply is polluted by industrial effluent with copper and cobalt concentrations [far above WHO thresholds](#) for drinking water, but the company repeatedly denied responsibility.

Glencore's crude-oil operation in Badila, Chad, had two severe toxic spills in 2018, where local villagers, including children, suffered severe burns, skin lesions and sickness after contact with polluted water. Several OECD complaints have been filed on the case. But the company has not taken any measurements, and in 2021 the UK government accepted [a human rights complaint over the toxic spills](#), of which we have not seen the results yet.



## Suing states for environmental protection

In the period 2016-2021 Glencore has [filed four ISDS cases](#), three against Colombia, all in relation to the company's coal mines, and one against Bolivia where claims arose out of Bolivia's direct expropriations of two tin and antimony smelting plants as well as a tin and zinc mine, all owned by the claimant's local subsidiaries. Glencore won the first case and the Colombian state was ordered to pay close to US\$ 20 million to Glencore in lost claim. The three other cases are still pending.



The latest of the cases was motivated by the Colombian Constitutional Court ordering the [expansion of the Cerrejón mine](#) close to the stream Bruno to be suspended, arguing that the project threatens the fundamental rights to water, food, security and health of the Wayúu indigenous communities, and ordered further environmental and social impact assessments. In May 2021, Glencore presented an ISDS claim to make Colombia [pay for the loss of profit](#) due to the limitation of mine expansion. Despite the Constitutional Court's ruling, Glencore did divert the stream as part of its mining expansion, and communities are currently demanding the restoration of the natural course of the Bruno stream.

## Promoting a greener future while expanding coal operations

According to Influencemap's Climate Lobbying Overview, Glencore appears broadly [unsupportive of immediate action](#) on climate change, and continues to support a sustained role for coal in the energy mix. Glencore also retains membership to a network of industry associations which engage negatively on various strands of climate change policy. Glencore seemed to be a green frontrunner when in 2020 it declared its ambition to become a [net zero emissions company](#) by 2050. Yet, the company's annual reports show that in 2020 and 2021 Glencore spent US\$ 259 million expanding its [Australian thermal coal production](#) and another US\$ 535 million sustaining the thermal coal mines it already operates, and wants to postpone the phase out till 2040. Still the company is running a series of PR campaigns with the

message of being a company that is "[laying the foundations for a low carbon future](#)". Glencore's cobalt production has drastically increased, following the demand for the metal, which is a key component of electric car batteries. A report by the Business and Human Rights Resource Centre found that Glencore is the mining company [linked to most human rights abuses](#) among those extracting minerals for the energy transition in the period 2010-2021.

## Avoiding taxes and other social contributions

Glencore's leadership has a history of [illegal tax practices and lack of transparency](#) since its founding days. The company operates in highly vulnerable countries and regions, and its business practices have rarely improved poverty rates or social conditions of communities in areas of its operations.

In Zambia, Glencore operated a large copper mine via its subsidiary, Mopani, up until 2021. A quantitative tax analysis by OXFAM of the period 2011-2018 looks at Glencore's tax practices, which include transfer pricing and tax havens, and estimates that Zambia should have had up to [US\\$ 102 million per year in extra income taxes](#) from Mopani, equivalent to more than half of Zambia's national water supply and sanitation budget. In 2020 the Supreme Court of Zambia fined Glencore's Mopani Copper US\$ 13 million for [tax avoidance](#).

Similarly the Colombian Comptroller's Office in 2013 claims that Glencore made multiple negotiations between their own companies, generating a multi-million dollar debt that would allow them to [deduct from their taxes at least US\\$ 1.5 billion](#). The office has seen serious inconsistencies in Glencore's accounting and financial information and has found at least [twelve irregularities involving Glencore](#), all related to withholdings and voluntary payments on royalties, as well as settlements and discounts on compensations.

## Pleading guilty of bribery and corruption

Glencore is subject to bribery and corruption charges in the UK, US and Brazil. In May 2022 [Glencore pleaded guilty of bribery](#) in relation to its operations in five African countries and agreed to pay US\$ 1,5 billion in penalty. According to the US Department of Justice, in the period 2007-2018 Glencore paid over US\$ 100 million to various middlemen, with full knowledge that a large part would end up being used for the bribery of foreign officials. According to the judicial documents, officials in Nigeria, Cameroon, Ivory Coast, Equatorial Guinea, Brazil, Venezuela, and the Democratic Republic

of Congo were bribed. British proceedings also showed links to South Sudan. In total, [Glencore's corrupt practices spanned over a decade and eight countries](#). The bribes helped secure deals for Glencore at the expense of ordinary citizens. Moreover, Glencore admitted to manipulating oil prices in the U.S. for its financial benefit. Further charges could follow as Glencore [remains under investigation](#) by Swiss and Dutch authorities. The practice of bribery was approved by at least part of Glencore's senior management. Some of it was sent via transfers from Swiss bank accounts, and some, more scandalously, were sent in cash on private jets or with individual foreign officials. According to the US investigators, Glencore employees "withdrew" the money directly from a cash desk at Glencore's headquarters in Baar up until 2016.

One of the actors in Glencore's corruption is the mining millionaire Dan Gertler, a personal friend of DRC's former President Joseph Kabila, who secured mining licenses in the country. Glencore continues to make [highly controversial royalties payments](#), despite US sanctions for "opaque and corrupt mining and oil deals".

### Strategies to influence a problematic company

The above examples give a broad picture of Glencore's business model, without even mentioning [child labour, forced displacements, involuntary resettlements,](#)

[circumvention of the right to free, prior and informed consent](#), and [abandoning mines without assuming legal closure responsibilities](#). The company continues to cause severe human rights violations and environmental destruction in relation to its operations all over the world.

Numerous investors have already divested from Glencore, including one of the biggest investors in the world, the [Norwegian Government Pension Fund](#), and the biggest pension fund of Europe, [Dutch ABP](#), which referred to "major sustainability risks, such as bribery, corruption, conflicts with local communities, and poor working conditions" when excluding Glencore from its portfolio in 2021. Glencore is also blacklisted by Dutch insurance companies [Actiam](#) and CZ, scandinavian pension funds [KLP](#), [PenSam](#) and [AkademikerPension](#), and banks counting [Storebrand](#), Swedbank, [Danske Bank](#) and [Norwegian DNB](#). In 2022 a dozen global investors [filed a case against Glencore](#) in London's High Court, including HSBC, Norges Bank, KIA, Reassure and British Airways Pension Trustee, as a reaction to the company's conviction for bribery and claims compensation, as the stock price has dropped.

The number of scandals show how human rights violations and environmental destruction are ingrained in Glencore's business model, and show why external pressure from investors, banks, insurers, trading partners and policy makers are key to force a change.

