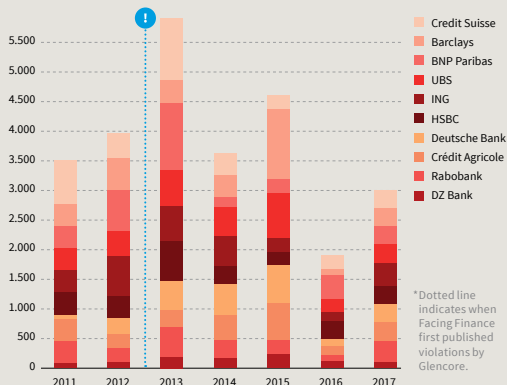


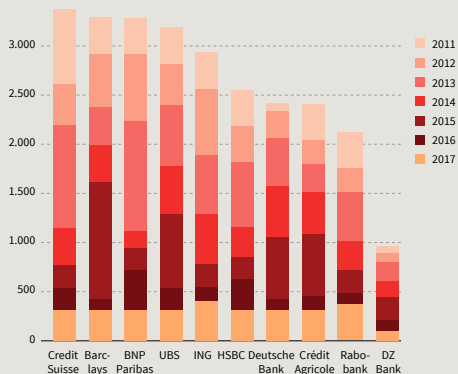
Company responded to Facing Finance regarding allegations	Yes
Significant concern	Air Pollution. Environmental damage. Harming the health of communities. Poor Worker Safety. Human rights violations in Colombia.
Potential norm violations	UNGP, ILO, ICESCR, ICMM, OECD Guidelines for Multinational Enterprises. Including: the Right to Health and the Right to Effective Remedy. UN Global Compact Principle 7 and 10.
Company ranking on CHR	30-39% (Bad)
Voluntary commitments	UN Global Compact, EITI, ICMM, Voluntary Principles on Security and Human Rights
Facing Finance category	Undermined: Bad all rounders

# Glencore

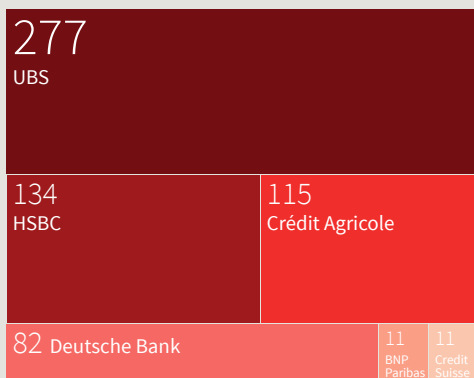
Capital provision by year – all loans, bond and equity underwritings (€ Million)



Capital provision by bank – all loans, bond and equity underwritings (€ Million)



Management of shares and bonds by top banks (in € Million):



## Digging for Justice: Progress on previously reported cases

Glencore is a global commodity producer covering over 90 commodities, including metal and minerals, energy products and agricultural products. Facing Finance has investigated Glencore in the context of extractives in three previous Dirty Profits reports between 2012 and 2014 in relation to previous violations at its operations in Peru, Zambia, the Philippines, and Colombia.

In Colombia, Glencore is a part owner of the Cerrejón coal mine (discussed under BHP page X in relation to human rights violations in resettlements). Additionally, Glencore also owns Grupo Prodeco in Colombia, where communities surrounding the company's mines have faced human rights violations including land rights issues, worsened living conditions due to resettlement, chronic poverty, violence by paramilitary, and death threats to community activists.<sup>161</sup> The communities in the region have also been protesting against pollution and environmental destruction caused by the coal mining companies. Glencore is also the world largest shipper of export quality coal<sup>162</sup> and has the tenth largest global coal reserves, which it shows no signs of reducing,<sup>163</sup> illustrating a clear lack of commitment to climate change objectives.

In Peru Glencore faces a court case in relation to claims it hired security forces to threaten and mistreat those protesting against their copper mine. The confrontations resulted in the death of two protestors and others were seriously injured. 22 Peruvians have now brought the claim against the company in London.<sup>164</sup>

In the DRC, Glencore operates the Mutanda mine located within the Basse-Kando reserve (covered in Dirty Profits 1 and 3).<sup>165</sup> According to local NGOs in the region, in April 2017 a pipeline allegedly burst releasing toxic acid.<sup>166</sup> Glencore has not confirmed this incident. Increased acquisitions by Glencore in both the Katanga and Mutanda mines have been mired in corruption allegations as outlined by Global Witness<sup>167</sup> and more detail has recently come to light in the "Paradise Papers", showing that Glencore was involved in bribery and is at serious risk of non-compliance with anti-corruption laws.<sup>168</sup> Glencore is a participant in the Extractive Industries Transparency Initiative, a global standard committed to the open and accountable management of extractive resources.<sup>169</sup> In light of the latest revelations, Glencore's membership of this organisation seems the height of hypocrisy. Glencore in mid-2016 had a significant industrial spill from one of its tailings dams in Ridder, Kazakhstan which turned the river the colour of cement.<sup>170</sup>



▲  
Mopani smelter at Glencore's  
Mopani Mine in Zambia with  
community in foreground. Taken  
9 March 2017.  
© Henry Longbottom, SJ

#### Glencore in Zambia: Toxic fumes and worker safety violations.

Glencore does not perform well in the Corporate Human Rights Benchmark, ranking in the lower percentiles partly due to failing to extend human rights policies to business partners – critical in an industry where joint ventures and complex partnership structures exist. The company also does not have a strong grievance mechanism in place, which is critical to comply with UNGPs and ICMM Principle 9. This has resulted in Facing Finance categorising Glencore in the middle category “Undermined: Bad all rounders”.

Since 2000, Glencore has been the majority owner of Mopani Copper Mines plc<sup>171</sup> operating the Nkana and Mufulira mines producing copper and cobalt. The Dirty Profits reports covered Glencore's operations in Zambia in 2012, 2013 and 2014 specifically in relation to sulphur pollution from the Mufulira mine and associated smelter. In 2014, there were additional reports of sulphur pollution harming children and communities around the mine, and scattered reports in 2015 that the pollution levels had not improved.<sup>172</sup> The emissions from the mine caused the death of a local politician and in 2016 the Zambian High Court made financial claims against the company related to this.<sup>173</sup> It was found that the politician had “acute respiratory failure due to inhalation of toxic fumes”. This could open the way for further claims by residents and community members affected by the operations.

NGOs working in the area have also found that women are most adversely affected by the pollution and impacts of the mines.<sup>174</sup> Glencore itself admits that for the last 60 years 100% of sulphur dioxide from the smelters were released into the atmosphere, however, since 2014 they have been capturing the majority of emissions.<sup>175</sup> There have been leaks even in the upgraded system, which have resulted in riots by local community members frustrated with Glencore's operations.<sup>176</sup> Glencore itself admits that there are excessive sulphur emissions when restart-

ing the smelters. The company has noted that it provides medical attention to those affected when the smelters are turned on and when there are excessive emissions. However, Glencore provides no medical care or access to remedy for those who have been affected by the smelter operations since its ownership, or for the last 16 years. Glencore notes in their response to us that there have been no complaints regarding the sulphur emissions since 2015. Sulphur dioxide is an air pollutant which when released into the atmosphere is associated with respiratory problems, and most dramatically affects children and the elderly as well as those suffering from respiratory problems. Despite the smelter upgrade and the emissions reduction, the impacts of decades of sulphur pollution have not been remedied by Glencore.<sup>177</sup>

Glencore's lack of commitment to the people of Zambia is also illustrated by its clear unwillingness to pay taxes. For instance, in October 2014 the Government of Zambia passed a law which increased the tax on copper and other minerals. As a consequence, a coalition of mine operators, including Glencore, threatened to stop operations and investments in Zambia. This led the government to withdraw the law, instead enforcing much lower taxation.<sup>178</sup> Glencore also participates in wider tax avoidance schemes such as transfer mispricing, which is not illegal, but deprives the country of resources to support development.<sup>179</sup> Glencore in their response

to Facing Finance stated that “Glencore pays substantial amounts of taxes and royalties in all the countries in which it operates.”<sup>180</sup> Recently, the Government of Zambia revised the low energy tariffs provided to mining companies in the copperbelt and while the majority of companies agreed to pay this,<sup>181</sup> Glencore initially refused threatening to lay off 4,700<sup>182</sup> workers. The increased power prices are predominantly due to low water levels at the country’s hydroelectric dams and companies in the copperbelt to date have had lower prices to encourage operations with power companies arguing the cost does not reflect the cost of supply.<sup>183</sup>

There have been reports of water pollution near the mines, particularly the Kafue River, although it is not possible to identify exactly which of the mines in the area is responsible.<sup>184</sup> The pollution, however, has been so severe that a ministerial statement was made regarding the need for treatment and future pollution prevention of copper effluent in the area.<sup>185</sup>

Glencore has a poor safety record at its mines in Zambia, with a serious incident occurring in August 2016 when three miners were electrocuted<sup>186</sup> and again in November 2016 when over 300 workers were accidentally gassed when a truck hit a powerline, although there were no fatalities.<sup>187</sup> Previously in July 2015, four miners died in a rock fall at Mopani mines.<sup>188</sup> Glencore also has a terrible safety record at its mine in the Democratic Republic of Congo<sup>189</sup>, where part of the open pit Katanga mine collapsed and seven workers died.<sup>190</sup> While Glencore claims to be addressing these problem and reviewing concerns, the severity of the incidents and Glencore’s poor safety record when compared to other global miners<sup>191</sup>, is

*“Two years ago when I was coming from the market area around 11:00PM carrying a four month old baby boy when I reached near the mine area I experienced a heavy release of sulphur-dioxide which polluted the whole area. This affected my child who started coughing uncontrollably and had difficulties in breathing”<sup>196</sup>*

**Margaret Chisanga is a 40-year-old woman who has spent her life since birth in Kankoyo.**

deplorable. Glencore has in this regard violated not only the UNGPs but also failed to live up to the expectations contained within Part III, Article 6 and 7, of the ILO Safety and Health in Mines Convention, which Zambia has ratified.<sup>192</sup> In addition to possible violations related to the Right to Just and Favorable Conditions of Work - Safe and healthy Working Conditions, Art. 7 (b) ICESCR.

Copper mining pollution in Zambia has severely affected public health and the environment. The impacts of this as well as the impacts of tax evasion have dealt a severe blow to the country’s development and therefore human rights. Operations by Glencore in Zambia have potentially infringed upon people’s rights, particularly with regard to access to remedy as enshrined in both the OECD guidelines for multinational companies and the UN Guiding Principles which state “Where business enterprises [...] have caused or contributed to adverse impacts, they should provide for

[...] remediation through legitimate processes.” This means that communities and individuals suffering from human rights violations should have somewhere to turn to for justice. It is clear within international law and the UNGPs that “Businesses also have a responsibility to provide and cooperate in remediation when they have caused or contributed to adverse human rights impacts”<sup>193</sup>.

Previous legal cases have revolved around the fact that companies have a “duty of care” where human rights concerns arise in their operations.<sup>194</sup> In their response to us, Glencore included no information in relation to their actions regarding access to remedy.<sup>195</sup>

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