Glencore at a glance

An investor brief

May 2025

industri all
global union

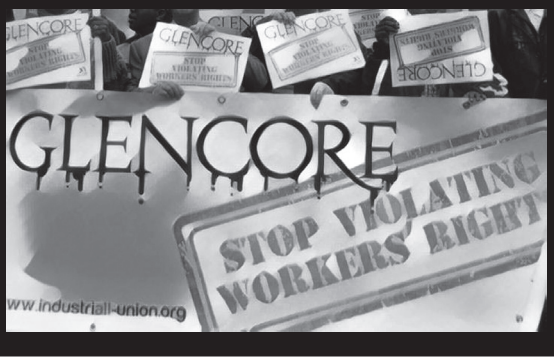
Summary

Glencore is a highly profitable multinational company that claims to take its responsibilities to people and planet seriously. Its lamentable environmental, social and governance (ESG) record, however, indicates otherwise. In fact, poor ESG performance seems to be a feature – not a bug – of the company, which takes a decentralized approach, declaring core policies at corporate level but failing to implement them adequately at the site level. The same behaviour is evident across several countries, pointing to a pattern of violations, not isolated incidences.

As a result, Glencore workers and communities in multiple countries struggle daily with repeated, long-term and unresolved negative impacts resulting from the company's actions or inaction. And the same information that the company denies to its stakeholders in the field is information needed by investors to make prudent decisions. This brief, based on public documents and the testimony of affected stakeholders – specifically, worker representatives – from three countries seeks to shine a light on poor practice by the company, and to suggest issues that investors should engage Glencore on, with the ultimate aim of improving its behaviour.

GLENCORE AT A GLANCE

- **World's largest commodities trader**
- **Largest mining company by revenue**
- **#24 on Fortune Global 500**
- **Head office in Baar, Switzerland; registered in Jersey**
- **Listed on the London Stock Exchange, secondary listing on the Johannesburg Stock Exchange**



Common themes uncovered include **a lack of transparency and failure to engage stakeholders meaningfully; failure to adequately address environmental damage** at its assets; **abandonment of social commitments to workers and local communities**; failure to **make stakeholders whole** when the company's actions lead to rights violations; and **refusal to enter into social dialogue with trade unions**.

Glencore's unacceptable ESG practices should be concerning to investors, as they increase the risks – legal, operational, financial, reputational – that could erode shareholder value. If Glencore is committed to a just energy transition, it needs to "change tack", as one union has asserted. If the company is not committed, however, it should be honest about this with its stakeholders, including investors.

Negative record

Glencore has a very poor environmental, social and governance record. According to the Business & Human Rights Resource Centre's Transition Minerals Tracker 2024 analysis, Glencore is one of just ten companies associated with *over 50 per cent of allegations* of human rights violations in the period 2010-2023. The company's behaviour exposes it to serious risks, some of which have triggered negative regulatory consequences. For example, Glencore has paid over US$1 billion in financial penalties due to corruption charges in multiple countries. In the wake of the company's admission of bribery, almost 200 institutional investors accused it of lying in earlier shareholder prospectuses to conceal corrupt activities. The investors lodged a complaint in 2023 with the London High Court seeking damages they alleged were caused by the company's misleading statements.

Investors continue to express concern about these risks. For example, at its 2023 AGM, 30 per cent of Glencore's shareholders voted against its Climate Plan, and 29 per cent agreed with a co-filed resolution "requesting the board include greater disclosures of the emissions and capex alignment of its thermal coal business." And numerous responsible investors, including very large funds, have divested from the company for environmental and social reasons (see table below). In 2023, an NGO report noted that 32 investors and banks had "blacklisted" Glencore for ESG reasons.[1]

Examples of divestment from Glencore

INSTITUTIONAL INVESTOR	REASON FOR DIVESTMENT	YEAR
Legal & General Investment Management (LGIM)	Thermal coal production	2024[2] (partial)
ABP	Sustainability risks (bribery, corruption, community conflicts, labour conditions)	2021[3]
Norges Bank Investment Management (NBIM)	Coal production	2020[4]

Poor ESG performance is not a bug that affects a handful of Glencore's assets. Rather, it is a feature of a company that takes a decentralized approach, declaring core social and environmental policies at corporate level but failing to implement these adequately at the site level. The fact that the same behaviour is evident across several countries points to a **pattern of violations**, not simply isolated incidences at one or two assets.

Taken together, these instances suggest a company that is unsound in environmental and social terms. The problem appears to be **systemic or structural** in nature, in that the behaviour is repeated at multiple assets, raising fundamental questions about governance and management. The disjuncture between the company's written or spoken promises and the reality at its operations does not bode well for long-term sustainability.

The consequence is that Glencore workers and communities in multiple countries struggle daily with repeated, long-term and unresolved negative impacts resulting from the company's actions or inaction. And the same information that the company denies to its stakeholders in the field is information needed by investors to make prudent decisions. This brief seeks to shine a light on three illustrative examples of unsatisfactory practice by the company, and to suggest issues that investors should engage Glencore on, with the ultimate aim of improving its behaviour.

Common themes running through the examples include a **lack of transparency and failure to engage stakeholders meaningfully** in decisions that fundamentally and negatively alter their lives and livelihoods; **failure to adequately address environmental damage** at its assets; **abandonment of social commitments to workers and local communities**; failure to make stakeholders whole when the company's actions (such as abruptly closing a facility) have led or could lead to rights violations; and **refusal to enter into social dialogue with trade unions**. The latter represents a risk and a lost opportunity for two reasons: first, because as the ILO notes, social dialogue is a key to "promoting social peace, stability, and effective labour market governance."[5] And second, because Glencore is missing out on the chance to engage stakeholders who have their own vision about energy transition, long experience with the linkages between labour, community and environmental issues and ideas about how to tackle the tough challenges that the company faces.

1 Fair Finance International, Oxfam, Finanzas Justas Colombia and Finanzas con Derechos Peru, "A Toxic Legacy: Glencore's Footprint in Colombia and Peru", November 2023, https://media.business-humanrights.org/media/documents/bp-a-toxic-legacy-glencores-footprint-in-colombia-and-peru-161123-en.pdf

2 https://www.reuters.com/markets/commodities/legal-general-unit-divest-glencore-stake-over-thermal-coal-plans-2024-06-26/

3 APG, Responsible Investment Report 2021, https://apg.nl/media/fjdfceoc/responsible-investment-report-apg-2021.pdf

4 Norges Bank Investment Management, "Observation and exclusion of companies", https://www.nbim.no/en/responsible-investment/ethical-exclusions/exclusion-of-companies/

5 ILO, "Social dialogue and tripartism", https://www.ilo.org/topics-and-sectors/social-dialogue-and-tripartism.

In some cases these stakeholders have already reached out on their own to allies – civil society, academic, government – to develop these ideas and initiatives after failed attempts to get Glencore to sit down and listen to them. This is a direct indictment of a company that is failing to match its words with its actions and further underscores an entity that is disconnected from the reality of its impacts and disrespectful of those who speak up.

Glencore's unacceptable ESG practices should be concerning to investors, as they increase the risks – legal, operational, financial, reputational – that could erode shareholder value. If Glencore is committed to a just energy transition, it needs to "change tack", as one union has asserted. If the company is not committed, however, it should be honest about this with its stakeholders, including investors.

The next section presents examples from very different settings – Colombia, South Africa and Canada – to illustrate these points. At the end of the brief are recommended questions on which investors can engage Glencore.

An overarching question investors might pose is whether the company, as a first step, will agree to enter social dialogue at a global level with IndustriALL Global Union, which is working to lift the floor for all of its affiliates at Glencore operations. The company has long resisted this demand, in contrast to several of its mining industry peers, such as Anglo American, Rio Tinto, Eramet and UMICORE. Sitting down in good faith with representatives of what the company itself calls its most valuable assets – workers – is a fundamental step towards jointly tackling the complex challenges that come from being the world's largest mining and commodities company.

Colombia

No just transition without workers and communities

In March, Glencore announced production cuts at its wholly owned Cerrejón coal mine in northern Colombia; these represent a reduction of 26 to 52 per cent in comparison to 2024. The company claims the cuts are due mainly to decreased demand from Europe, competition in Asian markets, the drop in coal prices and the difficulty of shipping the coal by sea. Yet while Glencore blames financial challenges for the massive reduction in production, the company is putting US$1 billion into a share buyback program.

After the announcement, Cerrejón did not renew the contracts of over 100 workers, with significant social implications for the community. Workers and their families have been given no clear information about what will happen next; the lack of communication has led to mistrust and fear about the future of the mine. As Sintracarbon, the trade union that organizes workers at the mine put it, "there has been no official answer from Cerrejón to the workers, but they need peace of mind."

Just as concerning, the mine is slated to close in nine years, and the company has refused to discuss its closure plan – a draft of which it has submitted to the government – with Sintracarbon. There is fear Cerrejón could suffer the same fate as nearby Prodeco mine; Glencore placed the asset in care and maintenance in 2020, then abruptly transferred the mining contracts for Prodeco back to the Colombian government in 2021 with no social dialogue or involvement of workers in this decision that would affect them, their families and the community drastically. These actions left what Sintracarbon has called a "ghost town" after over 5,000 workers lost their jobs.

The company's practices in the region have raised **legal and financial risks**. For example, in early 2025, Colombia's Constitutional Court Ruling T-029 ordered the creation of an inclusive roundtable for consultation to allow workers and local communities meaningful participation in defining measures for Glencore's closure of Prodeco. This was based on the court's verdict that previous consultations led by the company were inadequate. Further, Dutch labour union CNV, which has supported Colombian counterparts on the case, asserts that the ruling underscores the need for the company to "avoid further delaying implementation of compensation and restoration measures."[6]

6 CNV, "Colombia's Constitutional Court has issued a landmark ruling on the closure of coal mines in the country : A Call for Corporate Accountability", 12 February 2025 https://www.cnvinternationaal.nl/en/topical/news/historical-judgment-constitutional-court-colombia-closing-mines-of-carbon

> **We need Glencore to open a space for sincere dialogue, to generate an atmosphere of trust.**
> (Sintracarbon)

Though Glencore has chosen not to engage properly on the question of a fair transition out of coal and into cleaner energy, Colombian trade unions have worked proactively with civil society allies, academics and European trade unions to move toward this future and help prevent workers and communities from being left behind. Three trade unions were behind the creation of CIPAME (Center for Innovation and Research for the Fair Development of the Mining and Energy Sector of Colombia), which has submitted public policy proposals to the government on a just transition. Trade unions are working with the Dutch and German trade union confederations (FNV and DGB, respectively) and Colombian trade union federation CUT on various pilot projects, such as setting up a photovoltaic energy plan for the region, reskilling workers in alternative fields (e.g. photovoltaic energy), training workers and community leaders on the energy transition and promoting local awareness of the need to prepare for the transition out of coal. The unions are meeting with government officials to press the case that multinational corporations must come to the negotiating table.

An inclusive and fair transition will take time, given the crucial role coal has played in the economy of Northern Colombia. Trade unions are well aware coal will be phased out, and their efforts to address this go beyond workers; as Sintracarbon puts it, "we protect communities because there can be no fair transition for workers if the community suffers in poverty". Glencore claims to be committed to such a transition – to taking a multistakeholder approach, supporting civic dialogue, supporting vulnerable people and groups, supporting workers' skills development, and more. Its behaviour in Colombia does not match these words.

Industry peers have committed to mining responsibly

The Initiative for Responsible Mining Assurance (IRMA) is the gold standard for independent assessment of large-scale mines against a comprehensive benchmark. The IRMA Mining Standard, formulated through a rigorous, multi-year process involving public consultation, "serves as the basis of a voluntary assurance system offering independent third-party assessment and verification of environmental and social performance measures at industrial mine sites around the world."

IRMA member organizations represent industry (mining, automotive, jewellery and other buyer companies as well as mineral processors), civil society (labour, NGOs and community organizations) and finance (investors). Mining company members, which include Anglo American plc and Albermarle Corporation, commit to having at least one site independently audited against the Standard.

Glencore is not a member of IRMA. It is, however, a member of the International Council on Mining and Metals (ICMM), which is spearheading the Consolidated Mining Standard Initiative (CMSI), an industry-led voluntary effort to merge existing standards such as The Copper Mark and the ICMM's own Mining Principles. The CMSI, unfortunately, has already attracted significant criticism. A recent report from a wide coalition of organizations representing Indigenous Peoples, organized labour and civil society alleges the standard poses important risks to "communities, workers, ecosystems, investors and downstream minerals purchasers". The analysis revealed weaknesses such as non-conformity with international laws protecting Indigenous peoples' rights, lack of alignment with the UN Guiding Principles for Business and Human Rights, and governance and assurance systems that give mining companies too much control over the process.

Recommendation to Glencore investors:
Call on the company to join IRMA.

South Africa

Profits over people

In December 2024, Glencore closed its Rustenburg smelter in South Africa, putting the facility into Care & Maintenance (C&M). By May 2025, it is projected the company will have shut down over 70 per cent of its smelter operations in the country. Glencore's Boshoek smelter has suspended production with immediate effect from 1 May in anticipation of closure. Wonderkop smelter is operating with only four of its furnaces and is expected to be suspended with immediate effect from the end of May. Approximately 3,000 Glencore workers at these operations, including contractors, will have lost their jobs between 2024 and 2025.

Several factors are important for understanding the context and Glencore's role in the hardship and suffering unfolding around these shuttered operations:

- while closing smelters and putting thousands of people out of work, Glencore continues to advertise positions at its mining operations in South Africa. The National Union of Metalworkers of South Africa (NUMSA) points out that the company could assist those losing their jobs at the smelters to be hired into these new positions, but it is not doing so. According to NUMSA, only 200 workers have been placed into the mining division after losing their jobs in the smelting division.
- metalworkers doing the same job at Glencore *mines* in South Africa are paid considerably less for the same work done at its *smelters*, raising questions and potential **legal risk** in relation to discriminatory pay differences.
- Workers who were pressured by Glencore to buy houses near their smelting jobs but are now losing their jobs cannot afford to keep their homes.

> **We expect them to treat workers well, to help them through this.**
> (NUMSA)

After the company closed its Lydenburg smelter in 2020, the area became a ghost town, by NUMSA's account. Communities tried to engage the company but were rebuffed. Schools that had benefitted from Glencore's CSR programs were left on their own, roads and infrastructure that had been maintained were left to deteriorate. With Rustenburg's closure in December 2024, it appears that the impact to the area will be similar to that in Lydenburg, and fear runs high that in Rustenburg, too, local communities that depend on the facility will suffer greatly and poverty will increase. As with Prodeco mine in Colombia, Glencore runs the reputational risk of being a company that makes big promises but fails to deliver.

In NUMSA's view, Glencore missed an opportunity to avert job losses when it closed Rustenburg. It could have agreed to the offer of Cyprus-based Tharisa Minerals (listed in Johannesburg and London) to buy the smelter, which would have allowed workers to keep their jobs. Glencore decided to close the facility, and the union found out only after the decision had been made. NUMSA accuses the company of coming into stakeholder meetings with a "pre-meditated approach" and no intention of listening and taking stakeholders' views on board.

> **Glencore [is] not creating meetings to resolve issues: they're creating meetings to tick the boxes from their side, to say 'we are engaging with stakeholders'...It engages but it won't tell the truth.**
> (NUMSA)

Quebec

Struggling for job security and a clean environment

Glencore's Horne copper smelter sits in the middle of Rouyn-Noranda, a city in far western Quebec, several hours' drive from Montreal. It employs 650 workers, but taking suppliers into account, thousands of employees and their families depend on the plant. And because these workers live in the city, all of Rouyn-Noranda relies on Horne.

The smelter has a history of high emissions of toxic substances such as arsenic, beryllium, cadmium and lead. This, plus the fact that Quebec has a particularly strict standard for emissions, is the source of ongoing tensions around Horne. The trade union at Horne, FIM-CSN (Fédération de l'industrie manufacturière), through its local union STMN-CSN (Syndicat des Travailleurs de la Mine Noranda CSN), managed to get Glencore to include environmental provisions in a recent collective bargaining agreement – including pushing the company to carry out an environmental impact analysis of the smelter – but the company has repeatedly refused the union's requests to be included in discussions on environmental issues.

A crisis around arsenic erupted in Rouyn-Noranda in 2018, bringing with it high **reputational risk** for Glencore, when environmental NGOs obtained information about the plant's emissions and spearheaded a media campaign. Public pressure from the crisis forced the company to lower emissions significantly, but the fact remains that the plant is nowhere near reaching Quebec's allowable threshold for emissions, which is considerably stricter than the national standard.

Glencore's AERIS project, aimed at modernizing the smelter and reducing emissions, was originally projected to cost 500 million CAD, but with inflation, labour and raw material costs, FIM-CSN reports that this has ballooned to 1 billion CAD. Glencore seems unwilling to invest this sum without production guarantees by the Canadian government, but the company's intentions are opaque. And FIM-CSN points out the irony of a corporation that publicly states its intention to be ecofriendly while refusing to be transparent with the union about what will happen to the facility.

This situation has caused great uncertainty for workers and the city alike. As FIM-CSN asks, will the company close the plant and sacrifice good jobs rather than fulfill its responsibility and implement a project to reduce the pollution produced by the smelter? People are entitled to a safe and healthy environment, and they want to keep their jobs, but not at the cost of their health.

> **We don't know what's happening.**
> (FIM–CSN)

FIM-CSN is in the difficult position of pushing for job security while simultaneously trying to hold Glencore to its commitment to address high pollution from its plant. The union (STMN-CSN) even had to take the company to court in 2021 to force it to manage dust particles at the worksite and reduce pollution at the source. The union won its case in 2023.

One of STMN-CSN (FIM-CSN's) "dreams" is to have a social dialogue with Glencore and be part of the solution, but its requests for this have been rebuffed. Similar to Sintracarbon, FIM-CSN is working with other trade unions, civil society and academic researchers on the question of energy transition. That Glencore is keeping the union at arm's length is a lost opportunity for the company to deal with this complex situation.

> **If you closed [Horne smelter] tomorrow, it would be the death warrant of the city of Rouyn-Noranda.**
> (FIM–CSN)

Questions

for investors to ask Glencore

IndustriALL recommends that Glencore's shareholders engage the company on the following global and country-specific issues.

GLOBAL:

1. **Will Glencore agree to enter social dialogue at a global level? If not, why not?**
2. **Will the company agree to join IRMA? If not, why not?**

COLOMBIA:

1. **Why won't Glencore share information on what is going on at Cerrejón with those who will be most directly affected – workers and the communities?**
2. **Cerrejón has said Glencore headquarters instructed it to reduce production: what measures will headquarters take to mitigate impacts on workers and their communities of the resulting layoffs?**
3. **Workers and their representatives have already begun to work on energy transition and have extensive experience and concrete proposals for how an inclusive transition could benefit all stakeholders, not least by addressing poverty. Why does the company continue to refuse to sit down in a tripartite forum – with trade unions, the government and local communities – to discuss these ideas and share its own transition plan? How will the company approach the closure of Cerrejón (e.g. infrastructure, logistics)?**
4. **What are Glencore's short-, medium- and long-term investment plans for mining or other projects in La Guajira?**

SOUTH AFRICA:

1. **Will Glencore engage openly and truthfully with trade unions on its smelter closures in South Africa so that workers and the company can work together to prevent job losses?**
2. **What measures will Glencore take to help workers who have lost or are losing their jobs due to the company's closure of smelters?**
3. **Why are the same jobs (artisan, electrician, boilermaker, fitter, instrument technician, etc.) paid so much less at Glencore's mining operations than at its smelting operations?**

QUEBEC:

1. **Will Glencore work jointly with the trade union towards a just transition, for jobs as well as the environment?**
2. **What is going to happen to Horne? Will Glencore invest to improve air quality and lower emissions while ensuring the facility stays open?**
3. **Will Glencore engage in a real social dialogue, based on transparency, with workers?**

For more information, please contact

Walton Pantland
IndustriALL organizing and campaigns director
wpantland@industriall-union.org

Glen Mpufane
IndustriALL mining director
gmpufane@industriall-union.org