

BELOW THE SURFACE: WHAT GLENCORE DOESN'T WANT YOU TO SEE



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Glencore faces scrutiny for its environmental, social and governance (ESG) practices worldwide. Stakeholders affected by Glencore's operations are entitled to answers about these practices and their impacts. However, the company's public disclosure is highly selective, privileging the positive at the expense of real transparency.

IndustriALL Global Union's briefing, "Glencore, Below the Surface" (see www.industriall-union.org/glencore), discusses workers' human rights, ESG risks in Glencore's supply chain, and the company's reporting practices, and suggests questions investors and other stakeholders can ask the company with the aim of opening an honest dialogue about how to address these issues.

Workers' human rights:

Trade unions report substandard health and safety practices at multiple Glencore operations. This diverges from the company's stated ambition to "become a health and safety leader".

Glencore's assertion that it is committed to working "honestly and openly" with labour unions is undercut by claims from trade unions in several countries that the company actively tries to break industrial relations through discrimination; refusal to bargain centrally; increased contracting out of work; and taking advantage of weak regulatory frameworks.

Investor questions:

- ▶ Is Glencore's Board aware of trade union complaints and workers' human rights "incidents" discussed in the briefing, and if so, what is it doing to address these?
- ▶ How does the company explain the continued rise in contract workers as a percentage of total workforce, and do these workers enjoy the fundamental human rights that Glencore commits to respecting?
- ▶ Would the company agree to enter meaningful social dialogue with trade unions at a global level?

ESG risks in the supply chain:

Glencore is one of the world's largest producers of cobalt, used in batteries for electric cars and smartphones. The company sources much of its cobalt from the Democratic Republic of the Congo (DRC), a country beset by long-running conflict and weak governance. Glencore insists it has "robust due

diligence processes to ensure" that cobalt whose extraction is associated with serious human rights abuses "does not enter" its supply chain. The company's disclosure of its sourcing, however, raises more questions than it answers.

Investor questions:

- ▶ What *specific human rights due diligence steps* does Glencore take in relation to its DRC cobalt supply chain to ensure it is not sourcing materials associated with human rights violations?
- ▶ What kind of outside verification does Glencore offer investors and others for assurance?
- ▶ Given its plans to "seriously increase" its cobalt mining operations in the DRC, how will Glencore realistically ensure its due diligence processes can withstand such massive and rapid expansion?

Transparency and Disclosure:

Glencore claims to be committed to transparent communications, yet many of its stakeholders disagree. The Shadow Network of Glencore Observers' recent report on Glencore operations in Latin America documents significant environmental and social infractions by Glencore, and the company's failure to report these. An ongoing major human rights-related lawsuit filed against the company in the UK by Peruvian citizens is notable for its absence in Glencore's annual and sustainability reports.

Investor questions:

- ▶ How is the company responding to the multiple civil and criminal proceedings and sanctions described in the *Shadow Report on Glencore Operations in Latin America*?
- ▶ Why are these not considered sufficiently "material" to be reported to investors and others?
- ▶ How can investors be assured they are receiving a balanced picture of Glencore operations when company accounts differ fundamentally from those of groups that have done extensive research on the ground?

The briefing, "Glencore, Below the Surface" is available at:

www.industriall-union.org/glencore

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