

Glencore plc  
Baar, Switzerland  
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## Response to SOMO Report

We note today's publication by Stichting Onderzoek Multinationale Ondernemingen (SOMO) of its report *Responsible disengagement from coal as part of a just transition* (the report).

At Glencore, we are responsibly sourcing the commodities that advance everyday life. Our portfolio enables the transition to a low-carbon economy, while meeting society's energy needs as it progresses through the transition.

We support the global climate change goals outlined in the United Nations Framework Convention on Climate Change and the Paris Agreement. We believe that only through collective global action can the world achieve the goals of the Paris Agreement and limit the impact of climate change.

We recognise our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising our own operational emissions footprint. We believe that our contribution should take a holistic approach and have considered our commitments through the lens of our total emissions footprint. As such, we target a 15% reduction of our total (Scope 1, 2 and 3) emissions by 2026 and a 50% reduction by 2035 on 2019 levels. Post 2035, our ambition is to achieve, with a supportive policy environment, net zero total emissions by 2050.

We take our responsibilities to our people, to society and to the environment seriously, and align our activities with the relevant international standards. We are committed to working in a way that respects the fundamental rights and freedoms of stakeholders affected by our activities and actively support our workforce, business partners and suppliers to understand and meet this commitment.

We recognise the complexity of the situation in Colombia. Over five decades of conflict have resulted in a challenging operating environment and complex societal needs. In addition, Prodeco's proposed relinquishment of its mining licences is unprecedented for the Colombian government. Despite the difficult situation, Prodeco continues to be committed to engaging meaningfully with its employees, contractors and host communities on the impact of handing back its mining contracts.

We appreciate SOMO sharing its report with Glencore ahead of its publication and for providing us with the opportunity to comment on its contents. While the report references some of our suggested amendments, the report continues to contain a number of egregious allegations which we believe we need to address directly. We have provided a brief response to these allegations below and a longer explanation in the Appendix at the end of this document.

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*Report allegation: Prodeco's presence contributed to the forced displacement of communities both prior to its presence in Cesar and while it was operating*

We strongly refute this allegation. Prodeco does not accept responsibility for and has not contributed towards any actions taken by paramilitary groups, or other similar organisations that resulted in the displacement of communities.

*Report allegation: Prodeco is linked to the mass displacement of the Santa Fe community, via its acquisition in 2005 of the Carbones de La Jagua Mine*

We strongly refute this allegation. To date, none of the land covered by the La Jagua Mine's concession has been found to be acquired through the displacement of the Santa Fe community.

*Report allegation: Prodeco has not communicated the findings of its 2018 human rights impact assessment [HRIA] to affected stakeholders; (..) it is [therefore] reasonable to assume that the company's silence and inaction during the period when the forced displacements were occurring and the victims' suffering from past displacements was ongoing comprised an omission that increased to a non-trivial degree the risk of additional forced displacements by encouraging paramilitaries to continue causing harm.*

This conclusion is incorrect. While the HRIA was initiated in 2018, the assessment was carried out during 2019. Restrictions, imposed as a result of Covid-19, delayed the completion and communication of this report. Prodeco is currently working with FiP to finalise the HRIA's report. The results of the HRIA and relevant actions will be communicated to the impacted stakeholders appropriately in due course.

*Report allegation: Prodeco/Glencore should engage with Asamblea Campesina del Cesar por la Restitucion de Tierras y el Buen Vivir (a regional organisation for forcibly displaced communities)*

This allegation implies that Prodeco/Glencore is not engaging with the Asamblea, which is incorrect. We informed SOMO of Prodeco's ongoing engagement but the report fails to acknowledge that Prodeco has ongoing engagement with the Asamblea and other organisations that represent victims of past violations during the armed conflict.

*Report allegation: Prodeco's decision to relinquish its mining licences threatens to leave unremediated severe human rights abuses and numerous unresolved labour conflicts with its workers.*

Prodeco recognises the impact that the relinquishment has on its workforce and host communities, and it is working to maintain open communication channels and to identify means to mitigate the impact and provide support throughout the process. It will continue to provide updates as the relinquishment process makes further progress.

The Appendix below contains further details on our response to the reports' allegations.

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**Notes for Editors**

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 responsibly-sourced commodities that advance everyday life. The Group's operations comprise around 150 mining, metallurgical and oil production assets.

With a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's industrial activities are supported by a global network of more than 30 marketing offices. Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 135,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative. Our ambition is to be a net zero total emissions company by 2050.



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*The companies in which Glencore plc directly and indirectly has an interest are separate and distinct legal entities. In this document, "Glencore", "Glencore group" and "Group" are used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words "we", "us" and "our" are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.*

## **Appendix** – further details responding to the allegations in the report

### Paramilitary activities and forced displacements

The report alleges that as a result of the purchase of its lands, Prodeco contributed to the forced displacement of communities both prior to its presence in Cesar and while it was operating. This leads SOMO to claim that Prodeco should provide remediation to the affected communities.

Prodeco does not accept responsibility for any actions taken by paramilitary groups, or other similar organisations that resulted in the displacement of communities.

Prodeco's land acquisition process involved a proper due diligence that found no areas of concerns relating to the ownership of the land that makes up the mining concessions. Prodeco also did not purchase land where there the owners were involved in investigations or where there was a lack of clarity regarding ownership. As such, it is not responsible for providing remediation.

Throughout the duration of its presence, Prodeco has been committed to upholding peace and publicly condemned any violence or threats against local communities within its area of influence, and continues to engage and speak out against violence in the community.

### Displacement of the Santa Fe community

The report alleges that Prodeco was linked to the mass displacement of the Santa Fe community, via its acquisition in 2005 of the Carbones de La Jagua Mine from Carbones del Caribe, another mining company. We strongly refute this allegation.

According to the report, in 1997, paramilitary groups attacked the Santa Fe community and selectively murdered residents, whose land was then declared 'abandoned'. This land was subsequently sold at auction or bought directly by the Carbones del Caribe mining company.

By way of background, over twenty years ago, the Colombian government divided an area of land known as the 'Santa Fe area' into plots for families without land. This became the Santa Fe community. To date, none of the land covered by the La Jagua Mine's concession has been found to be acquired through the displacement of the Santa Fe community.

Some of the Santa Fe plots are being reviewed by land restitution processes, which allow victims to present their case and request remediation. Prodeco is fully committed to participating such processes and providing evidence that its acquisition of the La Jagua Mine land was undertaken following proper legal due diligence and in good faith.

### 2019 Human Rights Impact Assessment

The report notes Prodeco's intention during 2018 to explore the possibility of "complicity with human rights abuses and excessive use of force by security forces" and/or having links to "breaches of international humanitarian law through the actions of public security forces". In turn, it is critical of Prodeco's failure to communicate the findings of this work to local stakeholders.

In line with the expectations set out by the United Nations' Guiding Principles on Business and Human Rights, Prodeco is committed to upholding respect for human rights. It has participated in a number of national and regional initiatives to promote peace and reconciliation in Colombia, and contributed to the development of its National Action Plan.

In 2019, Prodeco initiated its second human rights impact assessment (HRIA), in partnership with a Colombian-based independent think tank, Fundación Ideas para la Paz (FiP). While the HRIA was carried out during 2019. The HRIA reviewed and updated Prodeco's human rights impacts, assessed its human rights action plan and undertook work with its supply chain. The HRIA involved women, children, community leaders, ethnic communities, victims and union representatives from the El Paso, Becerril and La Jagua de Ibirico communities. It consulted with 164 rights holders and a further 236 participants took part in nearly 100 in-depth interviews and 16 focus groups.

The HRIA referenced in the SOMO report was carried out during 2019. Restrictions, imposed as a result of COVID-19, delayed the completion and communication of the HRIA's report. As such, Prodeco is working with FiP to finalise the HRIA. The results of the review and relevant actions will be communicated to the impacted stakeholders appropriately in due course.

#### Asamblea Campesina del Cesar

The report suggests that Prodeco should engage with Asamblea Campesina del Cesar por la Restitucion de Tierras y el Buen Vivir (a regional organisation for forcibly displaced communities) and other organisations that represent victims of past violations during the armed conflict, failing to acknowledge that Prodeco has ongoing engagement with the Asamblea.

In fact, Prodeco has had ongoing engagement with the Asamblea since 2018. It has explained to the Asamblea and local stakeholders that the uncertainty facing Prodeco's operations limits its ability to make longer-term commitments. This continues to be the case until the status of the relinquishment of its operations is definitively clarified.

#### Relinquishment of Prodeco's mining licences

The report states that Prodeco's decision to relinquish its mining licences threatens to leave unremediated severe human rights abuses and numerous unresolved labour conflicts with its workers. In addition, it claims that Prodeco is abandoning its workers and local communities. This is incorrect.

Prodeco recognises the impact that the relinquishment has on its workforce and host communities, and it is working to maintain open communication channels and to identify means to mitigate the impact and provide support throughout the process. It will continue to provide updates as the relinquishment process makes further progress.

As per the applicable mining contracts, the relinquishment process entails the return of the mining infrastructure in an operational condition, which may enable future exploitation by another operator if the National Mining Agency (ANM) so decides. As this is therefore not a mine closure, Prodeco cannot execute its closure plan, which had been submitted and approved by the Colombian Environmental Authority (ANLA) as part of each of the mine's environmental licences, which require that each mine's closure plans be updated every five

years. The closure of the operations would result in a sterilisation of the reserves and hinder their future development.

Since filing the application for relinquishment, Prodeco is working with the ANLA to develop an environmental and social relinquishment plan that sets out the environmental and social obligations and commitments.