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Glencore float is hit by new allegations

By [Rob Davies](#)

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Secretive Swiss commodities firm Glencore stands accused of profiteering and environmental violations in poor and conflict-torn countries, as it prepares to release the prospectus for its £48billion share float on the London stock market.

The allegations will raise fresh concerns over corporate governance at the company.

Just weeks after the Mail revealed accusations the company is avoiding tax in Zambia, a flurry of grievances emerged alleging a litany of abuses around the world.



Grievances: The growing list of concerns will add to fears Glencore is not ready for the standards many investors demand of a public company listed in London

According to an analysis of news stories covering more than 17,500 companies by research firm RepRisk, Glencore crops up with the regularity one would expect of a more high-profile corporation.

The firm – due to complete London's largest ever float by the end of May – is said by aid groups to be profiting from conflict in the Democratic Republic of Congo that left millions dead.

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Subsidiary Katanga Mining was acquired after Glencore beat off competition from former England cricketer Phil Edmonds' company Camec.

Katanga Mining has been accused of grabbing cheap mining concessions in a region where militias have sold resource-rich lands to fund sprees of murder and rape.

And campaign groups have reported contamination of the water supply and poor working conditions in Katanga, home to 34 per cent of the world's cobalt reserves and 10pc of its copper.

Glencore told the organisations it had spent £14million on social projects in the region, a sum equivalent to about a tenth of what some of its partners will make in the float.

The commodities firm was also named by the UN Food and Agriculture Organisation, as it investigated the effect on farming of large-scale cultivation of agricultural land by global corporations.

Together with several other companies, Glencore was said to have bought up rights to use vast swathes of farmland in Paraguay, Ukraine, Kazakhstan and Sierra Leone, forcing out local farmers and contributing to malnutrition.

Glencore subsidiaries are also accused of a string of environmental and social abuses in countries including Australia, Bahrain, Colombia and Bolivia.

The mounting list of concerns will add to fears Glencore is not ready for the standards many investors demand of a public company listed in London.

Potential investors, including the Church of England, have raised fears about the ethics of ploughing money into the company.

Standard Life has also raised governance concerns over the farcical way Glencore announced the appointment of Simon Murray, after leaks emerged that former BP boss Lord Browne had got the job.

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