Glencore Xstrata – the birth of a mining monster

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Introduction

Glencore and Xstrata were, until May 2013, two of the largest commodities companies in the world. Xstrata specialised in mining, while Glencore operated mines but was also a major commodities trader. Both were based in Switzerland, but first Xstrata and then Glencore listed on the London Stock Exchange. Their merger in May 2013 has created a mining conglomerate, London-listed Glencore Xstrata, rivalling Rio Tinto in size.

On 22 September, 2013, voters in the small town of Hedingen in the Swiss canton of Zurich voted to give 110,000 Swiss francs of the taxes paid by Glencore Xstrata's Chief Executive Ivan Glasenberg to charity, in solidarity with people suffering the impacts of the company's activities around the world.

This briefing considers what those impacts are by looking at the track records of both parts of the new conglomerate.

The merger

Glencore and Xstrata completed their merger on 2 May 2013, after considerable delays from regulators. Chinese approval was only gained in April after Glencore agreed to sell one of its larger copper mining projects, easing its grip on the copper market. The favoured project to sell is Las Bambas in Peru, with several Chinese companies linked to state-owned enterprises said to be considering offers.

This late hurdle, however, did not prevent the creation of a mining conglomerate holding considerable stakes in every part of the mining industry, as well as other natural resource holdings. A day after the merger, shares soared 6%, making the group worth £73 billion. Glencore Xstrata plc is now the fourth biggest mining company, and is one of the ten biggest companies within London's FTSE 100 Index.

According to a Reuters article on the day the merger completed, "The combination of commodities trader Glencore and producer Xstrata ... creates a mining and trading powerhouse with over 100 mines around the world, some 130,000 employees, and an oil division with more ships than Britain's Royal Navy." At the time of the merger, Glencore's operations in 40 countries were handling 3% of the world's oil consumption and the combined entity was the world's largest exporter of thermal coal and the third-largest producer of mined copper.[1]

But the result of the merger may be a company too big and too global to regulate. Glencore and Xstrata were both behemoths of companies in their own right. Together, they will combine mineral production and trading, exerting control all along the mining value chain (particularly in the production and trading of thermal coal).[2] Furthermore, this entity will be to a large degree under the control of Glencore's CEO Ivan Glasenberg, who has publicly

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[1] "Glencore and Xstrata: How much power would they have?", BBC News, 1 October 2012, http://www.bbc.co.uk/news/business-19545159; "Glencore seen hungry for more after swallowing Xstrata", Reuters, 2 May 2013, http://www.mineweb.com/mineweb/content/en/mineweb-mining-finance-investment-old?oid=188475&sn=Detail

[2] "Frankglenstrata – the birth of another mining monster?", London Minng Network, 1 October 2012, http://londonminingnetwork.org/2012/10/frankglenstrata-the-birth-of-another-mining-monster

thrown down the gauntlet to developing countries seeking a greater share of the profits from the extraction of their natural resources, saying that they will have to be careful as the mining industry is forming groups to fight against such a change.[3]

Sustainability?

Reading the two separate companies' websites, it was notable how much space they devoted to laying out their policies for sustainability in mining operations, with attention to 'stakeholders' such as workers and local communities. These practices are held to be part of the company spirit, permeating from the board to the many diverse holdings, an invaluable part of maintaining the social license to operate as the companies provide necessary mineral resources with the least possible environmental and social impact. If they lived up to their promises, we could all breathe easier.

Glencore's corporate statistics alone – without the stories behind the facts and figures – make for worrying reading. Over the 2008-2010 period, the first period covered by a corporate responsibility report for Glencore – a welcome adoption of a practice otherwise considered standard – 56 fatalities were recorded, the vast majority in 'developing' countries and according to Glencore due to conditions at recently-acquired mining operations in Africa. No details about permanent injury or any other health and safety statistics, which the company assured interviewers it did have, were made available. Glencore clearly did not consider it necessary to publish these. They did publish their receipt of four 'significant' environmental fines in 2010, totalling $780 000. To put the corporate statistics in perspective, in 2010 Anglo American reported 20 deaths[4]. With the Xstrata merger, Glencore will now be comparable to the size of Anglo American. If the company can rack up nearly three times as many fatalities as Anglo-American before matching its size, it can only be hoped that they have invested in safety improvements to the new acquisitions they blame for the woeful figures. This, however, seems unlikely, based on the company's published record.

Glencore: a sorry tale

Formed in 1994, Glencore has apparently prided itself on doing business in developing countries considered high-risk by others; on the way, being accused of dealings with rogue states, including being linked to the financing of Saddam Hussein's regime in Iraq. Founder Marc Rich fled the USA in 1983 after being charged with tax evasion, and illegal dealings with Iran during the hostage crisis. His pardon in 2001 came as Bill Clinton was leaving office, and subsequent to Rich's ex-wife donating hundreds of thousands of dollars to one of Clinton's philanthropy projects, and contributing a round million to the Democratic Party.[5]

Interestingly, current investigations into Glencore continue to include tax evasion and illegal dealings with Iran. The Italian tax authorities accuse Glencore of evading over 120 million euros, concerning the operations of a zinc and lead smelter in Sardinia and the costs paid to other divisions of the company for raw materials[6], and U.N. diplomats have verified the accuracy of a report detailing Glencore's supply of aluminium to an Iranian company,

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3 Emma Farge, Reuters, 5 May 2012.

4 Leo Hickman and Fiona Harvey, The Guardian, 7 September 2011.

5 Glencore lands in Regina, MacCleans, 30 March 2012, http://www2.macleans.ca/2012/03/30/against-the-grain-2/; Swiss link undermines Xstrata's bid for WMC, ABC, 2005, http://www.abc.net.au/am/content/2005/s1300651.htm

6 "Glencore Investigated by Italy on $158 Million Tax-Evasion Claim", Bloomberg, 10 June 2013, http://www.bloomberg.com/news/2013-06-10/glencore-investigated-by-italy-on-158-million-tax-evasion-claim.html

believed to be connected to supplying material useful for components of a nuclear enrichment program to the Iranian government, in defiance of U.N. sanctions.[7]

With regard to Glencore's direct mining activities, the company has denied all involvement in suggested corruption over mineral rights acquisitions in the Congo, one of the most impoverished and least developed countries on Earth. It was suggested by Global Witness that, from early 2010, several offshore companies associated with a Mr Dan Gertler engaged in secret deals to acquire shares of mining companies at fractions of their independently-assessed value – and that corrupt government officials could be among the unknown shareholders of the companies concerned. Mr Gertler has also acted as an intermediary in Glencore's dealings in Congo, and is a partner in all three ventures there that Glencore has stakes in. Global Witness asked Glencore and Mr Gertler to release details of the shareholders of the companies involved in the secret deals. These were not forthcoming, both the corporation and Mr Gertler denying any involvement in corruption. Glencore's policy, indeed, states that it will not pay or receive bribes, nor participate in any criminal, corrupt or fraudulent practice, nor assist third parties to break the law[8]. As the deals under question with Mr Gertler's companies were only possible after Glencore waived their first refusal on the shares – explained as a policy implemented because of increased political uncertainty in the country at the time[9] – it would be helpful if Glencore made more details of the secret deals available, to demonstrate that they had adhered to this. Of course, in this case they would no longer be secret, and as it has often been observed, Glencore has a strong culture of secrecy.

In environmental and community impacts on people, Glencore performs no better. In April 2012, the company appeared in BBC Panorama investigation *Billionaires Behaving Badly?* broadcast on BBC 1 on 16 April 2012. Faced with charges that their copper refinery at Luilu in Katanga province in Congo was dumping raw acid in a nearby river, Glasenberg answered that the problem had been inherited when Glencore took over the running of the plant three years before, and it had not been possible to remedy earlier due to the necessity of keeping the plant operating at capacity to provide maximum local employment[10]. However, the final solution to the problem of acid in the river in Congo came roughly a month after Zambia shut down Glencore subsdiary Mopani Copper Mines' heap leaching plant at Mufulira following complaints of acid mist emission. An inspection discovered a lack of any acid mist or vapour barrier to protect over 3,000 local residents, who had developed statistical increases in pulmonary, nose, ear and throat irritants. Mopani Copper Mines issued a statement expressing surprise at the action, and concern that the closure would make it necessary for them to lay off staff[11].

It is very unfortunate that Glencore appears to find it impossible to prevent environmental damage and harm to local populations from copper treatment processes, whilst maintaining employment levels – except, in the Luilu case, shortly after a government has actually shut down a plant for pollution and investigative journalists have started looking at the current culprit. Glencore's declared policy is to do all they reasonably can to protect worker and community safety and the environment. We may differ with them as to what is 'reasonable'. Moving on to Glencore's policies on corporate responsibility for local communities – again, the policies look good on paper. However, the same BBC Panorama investigation that addressed the acid dumping also found workers including children as young as ten operating

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7 Money to Metal page on Glencore – http://moneytometal.org/index.php/Glencore, updated on 15 March 2013; "Glencore under fire over Iran and in Dominican Republic", Mines and Communities, 28 May 2013,

8 Global Witness press release, 9 May 2012.

9 Simon Goodley and Julian Borger, Guardian (UK), 8 May 2012.

10 John Sweeney, Observer (UK), 14 April 2012.

11 Reuters, 5 March 2012.

without safety equipment on a Glencore-owned Congolese mining site. Glencore had ceased operations at the plant in 2008, and stated that it was negotiating with the government to remove the unauthorised local miners.

So far so good, but Panorama discovered that operations on the site were sending ore to a plant owned by major Glencore partner in Congo, Groupe Bazano, and that the plant then sent copper to a Glencore-owned smelter in Zambia. Faced with the suggestion that his company was thus *indirectly* benefiting from child labour, Mr Glasenberg flatly denied that Glencore purchased copper from Groupe Bazano at all, despite documentary evidence to the contrary held by Panorama. His defence was that Glencore had a strict policy of all copper being mined correctly and sent to the smelter in sealed, numbered bags, and also a strict policy against any form of child labour[12].

If the setting of a policy by a company's executives ensured that it was always adhered to, Mr Glasenberg's stance on how much pay executives are worth might have something to it. Instead, Glencore appears to use policy as doctrine – a matter requiring sincere belief by all executives and other practitioners of Glencore Corporate Practice, or GCP as their website refers to it. The policy says so, and so it is – and investigation into whether something may have gone wrong is clearly not necessary.

Xstrata: innocent victim?

When we look at Xstrata's website, knowing of Glencore's record, it is possible to worry that the company is about to be tarnished by its new ownership. Their policy is even more detailed than Glencore's in the treatment they feel due to their 'stakeholders', including workers, and local and indigenous communities. Besides Xstrata's own case studies on their website of what they will do for communities where resettlement is unfortunately needed, one news report describes a community being resettled by another mining company holding up an Xstrata resettlement project as what they feel they are owed and are not getting[13].

It seems legitimate, therefore, to be concerned that the merger of the two companies largely turned into a Glencore takeover. Xstrata's chairman Sir John Bond stood down during the negotiations after Xstrata shareholders voted against a director-backed plan to pay huge retention bonuses to many executives merely for continuing to work for the combined company. However, the original plan was for him to continue as chair of the company for a short bedding-in period. At the first Glencore Xstrata annual general meeting, on 16 May 2013, over 80% of shareholder votes – including Ivan Glasenberg, with his 8.3% stake in the combined company – opposed Sir John's re-election as chairman, and even his continuing as a director. Commentators suggested that Glencore had successfully introduced the 'kill or be killed' culture of the trading room into the boardroom.

Many ex-partners in Glencore as a private firm, along with other staff, have not only become very rich from the merger but are now the ones steering the company, with only two out of fourteen top divisional jobs left in the hands of Xstrata personnel.[14] Given Glencore's

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12 John Sweeney, Observer (UK), 14 April 2012.

13 William Neuman, New York Times, 7 January 2013.

14 Merger Update - Merger completed, Glencore, 2 May 2013 - http://www.GlencoreXstrata.com/assets/Uploads/Announcement-of-Merger-Completion-2.5.2013.pdf; Magnitude of Glencore Xstrata chairman's coup has few precedents, Financial Times, 16 May 2013 - http://www.ft.com/cms/s/0/3cd34834-be49-11e2-9b27-00144feab7de.html#axzz2VoVfzyQI; "Meet The 5 People Who Are About To Become Billionaires From The Huge Glencore IPO", Business Insider, 5 May 2011, http://www.businessinsider.com/meet-the-glencore-billionaires-ivan-glasenberg-2011-5#ixzz2VueFPojA; "Glencore sticks to own internal talent in merged group, Reuters, 3 May

activities, and Xstrata's apparent concern for its stakeholders, this could be expected to lead to changes in Xstrata's operating culture and impact on communities for the worse.

Xstrata: the sad reality

On closer examination of Xstrata's actions, another picture emerges. To take one example, the Xstrata McArthur River mine in Australia, local communities feel that the company has not listened to them and their concerns over environmental damage, despite one group being able to claim traditional land ownership. The CFME Union there has raised concerns about breaches of OECD guidelines by Xstrata while operating in their territories, and claims that Xstrata has been very obstructive to talks with the union and other organisations over these issues. In Colombia, also, Xstrata has been involved in disputes over attempts to cut back worker rights such as pay, health and pensions. As far back as 2008, representatives from Xstrata unions across the world met and announced the forming of an International Solidarity Fund, due to their belief that Xstrata was having a negative impact on workers and communities across the world, and failing to act according to the high labour and environmental standards the company claims on its website[15].

In November 2012, there was a demonstration outside Xstrata's AGM in protest against alleged human rights infringements and pollution of the environment in Peru and Colombia. Protestors were joined by the governor of Peru's Espinar province in the Andes, who was in the process of bringing charges against the company of environmental pollution and endangering the health of local people. Xstrata gave the governor and representatives of the protesting NGOs seats at the AGM, and allowed the governor to deliver his message that his province would no longer allow Xstrata to operate if they continued to pollute the environment and show lack of respect for local people's rights. Xstrata CEO Mike Davis answered that the company adhered to all the regulations in the area, including setting themselves higher standards for environmental protection than local regulations called for – and that their involvement brought investment to the area, improving the lives of the local population[16].

The local population, including governor Oscar Mollohuanca, say that when Tintaya was sold to Xstrata (in 2006) the company promised to follow the Oxfam-mediated agreement signed in 2003 by then-owners BHP-Billiton. However, under Xstrata the stipulated three percent of Tintaya's profits, worth millions, have been paid into the Tintaya Foundation, a non-profit organization founded and controlled by the company itself. The governor claims this arm of the company is using its resources to create a patronage network across the province, and it certainly does not seem to have been able to make a significant dent in Espinar's 64% poverty rate. Furthermore, Xstrata has always claimed that Tintaya was fully compliant with Peruvian environmental regulations, but an independent study in 2011 found heavy metal contamination above even Peru's limits for human consumption in 29 of 50 water sources, and heavy metal contamination above the Canadian limit – Peru, as it turns out, does not have soil contamination regulations – in all 27 soil test locations.[17]

In May 2012, six months before the protest outside the AGM, Espinar province saw one of a rash of anti-mining protests across southern Peru. Two people were killed and many injured when the Peruvian government brought in emergency powers to suspend freedom of assembly in order to disperse the week-long blockade of Xstrata's Tintaya mine. Luis Rivera, Xstrata's operations director for Peru, claimed that the company's voluntary donations to the

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2013, http://www.mineweb.com/mineweb/content/en/mineweb-mining-finance-investment-old?oid=188674&sn=Detail

15 http://www.carnivalofdirt.org/research-spiders/xstrata-dirt/

16 zug4u, 21 November 2012.

17 Stephanie Boyd, New Internationalist, May 2012 issue

local area were more than generous (that three percent again), and that there was a radical political presence behind claims of river pollution by the mine and demands for increased contributions to compensate the local population for this.[18] According to reports, there were around 1,500 police officers present in the region during the state of emergency, and a group of international NGOs raised concerns that public security forces were illegally detaining and mistreating 22 civilians in the Tintaya Marquiri mine site, including women, minors, and two human rights workers.[19] Later, the illegal detainees were freed – claims that they suffered torture while under detention were not investigated, however, the government preferring to charge them with terrorist offences.[20]

The cause of the violence was the local population's perception that Xstrata was polluting their environment and failing to abide by the carefully negotiated agreement signed with BHP-Billiton over Tintaya. And Tintaya is not the only mine where Xstrata's interests have been enthusiastically, even violently, taken up by the government against the protests of their own people and the reservations of provincial governments over specific mining projects.

In the Philippines, at the Tampakan copper and gold project in South Cotabato on the island of Mindanao – a $5.9 billion investment in potentially the largest copper and gold prospect in Southeast Asia – Xstrata's part-owned local project partner Sagittarius Mines Inc (SMI) was recently granted an Environmental Compliance Certificate (ECC) by the Philippines national government. This follows a 2010 ban on open-pit mining by the provincial government of South Cotabato, which was put in place shortly after Xstrata's first application for an ECC for the Tampakan project[21]. This would be the same project that Xstrata itself argued against in 2008, when attempting to buy out a stake in SMI held by another company, on the grounds that the project was 'a public target for various armed terrorist organisations'.[22]

The proposed mine has been opposed by local people on Mindanao for two decades, and besides the provincial government's ban on open-pit mining, the indigenous B'laan community in the area (of whom 30,000 would be displaced by the project) has declared a state of tribal war against the company. Local environmental activists expected in February this year that the granting of the ECC would result in even more intensified militarization in the surrounding area, already seeing violence and human rights violations, in an attempt to dissuade people from opposing the project[23].

This is not a difficult forecast to make. In a congressional enquiry into the existing militarization and violence in the area, the mayor of Kiblawan, Marivic Diamante, gave testimony that in three towns covered by the mining permit, namely Kiblawan, Tampacan and Columbio, military and paramilitary groups were being given funds for their allowance and operations by Sagittarius Mines Inc. She explained that a memorandum of agreement signed in July 2006 by the three towns, and SMI, was the basis of the deployment of 120 paramilitaries in the area, along with the creation of the military-led Task Force KITACO. The Philippine Army identified 128 security threats against SMI from 2007 to 2012, which they see as justifying their presence in the area to provide security for the company. In turn, the company provides money for operations, for gasoline, and for the allowance of the community-based CAFGU paramilitaries deployed in the area.[24]

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18 Marco Aquino and Terry Wade, Reuters, 29 May 2012.
19 Statement of Concern and Solidarity with the Espinar Community, 29 May 2012.
20 Al Jazeera, 18 June 2012.
21 Reuters, 19 February 2013.
22 Xstrata Copper bidder's statement, Xstrata Copper, 13 June 2008
23 Kalikasan PNE Press release, 19 February 2013
24 Joint Press Release, 24 February 2013

It is this same Task Force KITACO which has been implicated in a spate of killings in the area. In October 2012, an indigenous B'laan woman, Juvy Capeon, and her two children, aged 7 and 13, were gunned down. Her husband Daguil Capeon was known to be leading a B'laan struggle to defend their ancestral lands against SMI development, and a reward was posted by Mayor Diamante for the capture of Daguil Capeon, who, Mayor Diamante explained to the congressional enquiry, is considered a bandit. Survivors and witnesses of the attack were questioned, and the public hearing found serious faults with the way that the attack was investigated by the military and the police.[25] In January 2013, Daguil Capeon's brother Kitari died in hospital after suffering a gunshot wound during an alleged attack on government forces. Witnesses, however, claim that the military strafed the house where Kitari was staying, and he was unarmed during the incident and unable to fight back.[26] In August 2012, B'laan chieftain Anting Freay (60), and his 16 year old son Victor, were murdered, allegedly by members of Task Force KITACO.[27] The Roman Catholic Diocese of Marbel has since given shelter to many B'laan people, mostly women and children, who have fled their homes from fear at the increasing military activity in their area – in mid-January, five additional truckloads of soldiers were brought in to the area by night.[28]

Free, Prior Informed Consent – or not

On the company's website, Xstrata's gave their opinion on the concept of Free, Prior and Informed Consent (FPIC), a concept increasingly viewed as the starting point for engagement with communities, at least indigenous communities. They specify, for instance, that there is no universal standard definition for FPIC, and that therefore to prevent misinterpretation they prefer to refer to 'free, prior, informed consultation and participation'; specifying that according to industry guidelines, FPIC is a process as well as an outcome, requires good faith participation, but does not constitute a right of veto or require unanimity within a community, and does not override national government rights to order resource development projects. When the International Finance Corporation adopted the term 'free, prior, informed consent' into its performance standards in 2011, Xstrata and other mining companies 'engaged with the IFC to seek clarification of the definition of the term in the accompanying guidance notes'[29].

Xstrata's preference for 'free, prior, informed consultation and participation' allowed the company to press ahead with development in Peru and the Philippines against clear local opposition. The fact that this opposition has led to protests being violently put down by police, with armed forces and paramilitaries killing women and children, does not prevent Xstrata from ticking its published set of boxes to confirm that it possesses a social mandate to operate in the area. Neither does a shared pattern of provincial government representatives placing bans on Xstrata's activities or bringing charges against them while Xstrata goes to the national government to override their authority.

Six of one and half a dozen of the other

So it seems that Glencore does not have much to teach Xstrata. The best that may be said for Xstrata is that it appeared to deliver the carrots it offered people to come quietly, if they did come quietly. Consultation did not continue past the point where Xstrata was happy for it to continue, and if Xstrata itself was not using the stick against troublemakers, it was paying people who did.

25 Joint Press Release, 24 February 2013
26 John Rizle L. Saligumba, Davao Today, 31 January 2013
27 John Rizle L. Saligumba, Davao Today, 27 January 2013
28 MindaNews, 4 February 2013
29 http://www.xstrata.com/sustainability/community/resettlement/

When we put this two-faced approach Xstrata had towards its 'stakeholders' rights together with Glencore's pathological secrecy and habit of questionable activities in both the developing and the developed world, this combination becomes a merger made in hell. Both corporations demonstrate a pervasive disregard for the rights of local communities affected by mining. They discount, examine loopholes to evade and even threaten governments at the regional or even national level who wish to *govern* the activities of corporations operating within their areas of responsibility.

The only question to be asked would be, how much worse these activities will become as the two companies combine into even more of a global behemoth?

List of operations: Glencore

AR Zinc – 100% owend by Glencore. Aguilar mine in north-west Argentina. Lead and zinc processed on-site or in central Argentian, lead sold domestically, zinc primarily in Argentina and Brazil. AR Zinc also supplies sulphuric acid. Acquired by GLencore in 2005.

Chemoil – 89% owned by Glencore. Listed on the Singapore Stock Exchange; sourcing, blending and delivery of marine fuels to major shipping ports worldwide, also 'clean' fuels distribution on the US West Coast.

Cobar – 100% owned by Glencore, from 1999. Cobar Copper Mine, Central Western NSW, Australia. Copper concentrate shipped to the export market.

E&P—equity stakes in two oil and gas Production Sharing Contracts offshore Equatorial Guinea, West Africa, both operated by US company Noble Energy Inc. Programmes of exploration and appraisal drilling ongoing since 2005. First site production from 2011, second expected from 2013.

Katanga – 75.15% Glencore ownership, listed on the Toronto Stock Exchange and operating a large-scale copper-cobalt project in the Democratic Republic of Congo through two joint ventures, Kamoto Copper Company and DRC Copper and Cobalt Project.

Kazzinc – 69.61% owned by Glencore. Major fully-integrated zinc production with copper, precious metal and lead credits. Created (and Glencore interest acquired) in 1997 from the merger of three former government majority-ownership companies in Eastern Kazakhstan. Also owning 100% of Vasilkovskoe Gold mine in Kazakhstan and 48.3% of Novoshirokinskoe Gold mine in Russia.
Los Quenuales – 97% owned by Glencore. Owns and operates the mines of Iscaycruz (underground and open-pit mines, inc and lead concentrates) and Yauliyacu (underground mine, zinc and lead/silver concentrates) in the Central Highlands of Peru. Glencore interest acquired, 1995/1996.

Mopani – 73% owned by Glencore. Integrated copper and cobalt production in the Copperbelt of Zambia. Operations based in the towns of Kitwe and Mufulira. Also four extraction plants, feed sourced in-situ from leaching, vat leaching and heap leaching, two at Mufulira and two at Nkana. Initial interest acquired by Glencore in 2000.

Morreno – 100% owned by Glencore,initial interest acquired in 1997. One of the world's largest sunflower oil and meal producers. Based in Argentina.

Murrin Murrin – 100% owned by Glencore. Nickel/cobalt mining and refining project, Western Australia. Initial Glencore interest acquired, 1996.

Mutanda Mining – 60% owned by Glencore, newly developed copper and cobalt producer in the Katanga Province of the Democratic Republic of Congo.

PASAR – 78.2% owned by Glencore, since 1999. The only copper smelter and refinery in the Philippines.

Portovesme – 100% owned by Glencore. Italy's only primary lead and zinc smelter. Stake acquired, 1999.

Prodeco Group – 100% owned by Glencore. Produces coal at its own Carenturitas (opened 2004, initial interest acquired 1995) and La Jagua (acquired 2005) mines in Colombia, also purchases coal for export from other Colombian mines.

Russneft – investing in the Russian market taking partnership in diverse oil assets. From February 2005, Glencore subsidiaries acquiring 40-49% interests in various Russneft subsidiaries.

Shanduka – 49.99% owned by Glencore. Owns and operates five coal mines near iddlelburg and Kendal in South Africa, the Graspan, Townlands, Bankfontein, Leeuwfontein and Lakeside mines. Glencore interests acquired 2006-2007.

Sherwin Alumina – 100% owned by Glencore, from 2007. Aluminiujm smelting plant located in Texas, USA.

Sinchi Wayra – 100% owned by Glencore, acquired 2005. Operates five zinc and lead mines, with some tin output, in the Oruro and Potosi regions of Bolivia.

List of operations: Xstrata

North America (Canada):
Brunswick – zinc
Errington-Vermillion – zinc, pre-feasibility
Hackett River, Nunavut – zinc, pre-feasibility
Kidd Operations – copper and zinc
Raglan – nickel
Perseverance – zinc
Sudbury – nickel

South America:
Falcondo, Dominican Republic – ferronickel
Cerrejon, Colombia – world's largest and lowest cost open cut thermal coal operation
Araguaia, north-west Brazil – nickel, scoping stage
Antamina, Peru – open pit copper and zinc mine
Las Bambas, Peru – copper project to operate from second half 2014
Tintaya, Peru – open pit copper and gold mine
Antapaccay, Peru – copper, implementation stage
Coroccohuayco, Peru – copper, pre-feasibility
Collahuasi, Chile – low-cost copper operation
Lomas Bayas, Chile – copper
Altonorte, Chile – custom copper smelting operation
Alumbrera, Argentina – open-pit copper-gold mine
Agua Rica, Argentina – copper, pre-feasibility
El Pachon San Juan, Argentina – copper, feasibility stage

Energia Austral, Chile – hydro-electricity project, feasibility stage

Africa (unless otherwise stated, located in South Africa):
African Carbon – char production for the ferro-alloys industry
Boshoek – chrome
Char Technologies – char production
Chrome Eden – chrome
Eland Mine – platinum
Goedgevonden – coal
Helena – chrome
Horizon – chrome
iMpunzi – coal
Kroondal – chrome
Lion plant – ferrochrome production
Lydenburg plant – ferrochrome production
Mototolo
Rhovan – ferrovanadium and vanadium pentoxide
Thorncliffe mine – chrome
Tswelopele Pelletiser – chrome processing plant
Tweefontein – coal
Waterval – chrome
Kabanga, Tanzania – nickel, feasibility stage
Zanaga project, Republic of Congo – iron ore, pre-feasibility stage
El Aouj project, Mauretania – iron ore, feasibility stage
Askaf project, Mauretania – iron ore, feasibility stage
Lebtheinia project, Mauretania – iron ore, pre-feasibility stage

Australasia and South-East Asia:
Tampakan, Philippines – copper, pre-feasibility
Frieda River, Papua New Guinea – copper, feasibility
Koniambo, New Caledonia – nickel, to produce from 2013
Cosmos, Western Australia – nickel
Sinclair, Western Australia – nickel
McArthur River Mine, Northern Territory, Australia – zinc
Lady Loretta Mine, Queensland, Australia – zinc
George Fisher Mine, Queensland, Australia – zinc
Mount Isa Mines, Queensland, Australia – copper, feasibility stage
Mount Margaret, Queensland, Australia – copper, feasibility stage
Ernest Henry Mining, Queensland, Australia – copper, gold and magnetite
Townsville Refinery, Australia – copper refinery
Bowen Coke, Queensland, Australia – coke for smelting
Collinsville, Queensland, Australia – open cut coal mine
Newlands Complex, Queensland, Australia – coal
Oaky Creek Complex, Queensland, Australia – coal
Rolleston project, Queensland, Australia – open-cut coal mine
Wandoan Project, Queensland, Australia – coal, feasibility and pre-feasibility stage
Ulan West, New South Wales, Australia – coal
Mangoola, NSW, Australia – coal
Mount Owen, NSW, Australia – coal
Liddell, NSW, Australia – coal
Ravensworth North, NSW, Australia – coal
United project, NSW, Australia – suspended 2010, feasibility study for future options
Bulga Project, NSW, Australia – coal
Westside, NSW, Australia – coal
Baal Bone, NSW, Australia – coal, operations completed in 2011

Tahmoor, near Sydney, Australia – coal

Europe:
Nikkelverk, Norway – nickel refinery and sulphuric acid production
Pallas Green, Ireland – zinc, pre-feasibility
Brittania Refined Metal, UK – refining lead, lead alloys and silver from crude lead
Nordenham, Germany – electrolytic zinc production plant
Hinojedo, Spain – zinc roasting plant
Arnao, Spain – zinc oxide manufacturing facility

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