# HSBC criticised for $1bn funding to Glencore amid coal expansion



HSBC has come under scrutiny for reportedly undermining its climate commitments by facilitating a significant funding deal with Glencore, a major mining entity known for increasing coal production. In May 2023, HSBC aided in raising $1 billion (£750 million) for Glencore, despite the bank’s earlier pledge to halt financing for companies expanding coal operations. This promise was made in December 2021, amidst rising concerns from climate-focused investors regarding the financial sector's role in contributing to climate change.

An investigation by the Bureau of Investigative Journalism and The Independent has revealed that HSBC assisted Glencore in securing two corporate bonds—each worth $500 million—that are set to mature in 2028 and 2033. This funding arrangement comes in the wake of Glencore's reported increase in coal extraction, rising from 94 million tonnes in 2021 to 106 million tonnes in 2023. To put this into perspective, this volume surpasses the collective coal consumption of the EU's 27 countries, which amounted to 128 million tonnes in 2023.

Andrew Harper, deputy chief executive of Epworth Investment Management, a firm that is both a client and investor in HSBC, expressed his disapproval, stating, “If these reports are accurate, then HSBC hasn’t just bent its coal policy—it has bulldozed through it.” Harper stressed that the agreement with Glencore contradicts HSBC's stated policies. Similarly, Zahra Hdidou, senior climate and resilience advisor at ActionAid, described the findings as “shocking,” noting a notable lack of accountability within HSBC despite its professed commitment to sustainability.

In addressing these claims, HSBC affirmed its adherence to a set of sustainability risk policies aimed at achieving net-zero financed emissions by 2050. However, the bank declined to comment on specific client relationships. Critics, however, highlight that HSBC has rolled back key climate initiatives in recent months, including a postponement of its net-zero targets to 2040 and the introduction of deviations to its coal policy.

Meanwhile, Glencore’s operations, notably the vast Cerrejón open-pit coal mine in Colombia, have also drawn attention for their environmental and social impact. The mine is reported to be almost six times larger than Manchester and aims to continue coal extraction until at least 2034. Local communities have raised concerns about the health hazards associated with nearby mining activities. A UN special rapporteur's report from 2020 highlighted significant health issues for residents, including headaches and breathing problems attributed to the mining operations.

A local indigenous Wayúu man shared his experiences, recounting how the community has been affected by changes to the Ranchería river—a vital water source that has deteriorated due to mining activities. “Everyone here used to benefit. It changed a lot because of the mine,” he stated, indicating the broader implications of Glencore's operations on local ecosystems and livelihoods.

In response, Glencore asserted its commitment to avoiding harm from its activities and to contributing positively to the social and economic development of the regions where it operates. The company maintains that its practices align with international business standards and that the water quality of the Ranchería river remains unaffected by its operations.

As discussions around corporate responsibility and environmental impact continue to evolve, the scrutiny of banks like HSBC and companies like Glencore persists, highlighting the complex relationships between financial institutions, environmental commitments, and community welfare.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.reuters.com/markets/commodities/glencores-cerrejon-reduce-colombia-coal-output-by-much-10-mln-tons-annually-2025-03-25/> - This article reports that Glencore's subsidiary, Cerrejón, announced plans to reduce its coal production in Colombia by 5 to 10 million tons annually, citing unsustainable transport costs for thermal coal via sea. This reduction is significant, as Cerrejón produced 19 million tons of coal in the past year.
* <https://www.abcolombia.org.uk/event-unmasking-glencore-a-toxic-legacy-in-colombia-and-peru/> - This report details the environmental and human rights impacts of Glencore's Cerrejón mine in Colombia, including air pollution exceeding WHO limits, water contamination with heavy metals, and the diversion of the Ranchería River, which has led to water scarcity and health issues for local communities.
* <https://www.banktrack.org/project/cerrejon_coal_mine> - This source provides information on the environmental impact of the Cerrejón coal mine, noting that if all known coal reserves are burned, the resulting CO2 emissions would be equivalent to 184 years of Colombia’s national emissions, highlighting the mine's significant contribution to climate change.
* <https://www.abcolombia.org.uk/cerrejon-accused-before-oecd/> - This article discusses the environmental degradation caused by the Cerrejón mine, including air pollution, water contamination with harmful metals, and the diversion of the Ranchería River, which has led to water scarcity and health impacts for local communities.
* <https://www.earthisland.org/journal/index.php/articles/entry/shardow_colombia_Coal_Mine_Carrejon/P6> - This piece describes the environmental and social impacts of the Cerrejón mine, including the contamination of the Ranchería River with heavy metals, the depletion of water resources, and the adverse effects on local communities' health and livelihoods.
* <https://www.abcolombia.org.uk/un-expert-calls-for-halt-to-mining-in-cerrejon/> - This article reports on a UN expert's call for a halt to mining at Cerrejón due to environmental and human rights abuses, including air and water contamination, noise pollution, and the diversion of the Ranchería River, which have negatively impacted local communities.
* <https://www.independent.co.uk/climate-change/hsbc-climate-crisis-glencore-mining-coal-b2742290.html> - Please view link - unable to able to access data