Trafigura's Jeremy Weir: trader-in-chief seeks to draw a line under corruption scandals

The 59-year-old Australian has diversified the commodities house but has had to deal with a legacy of misconduct

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The year Trafigura founder Claude Dauphin picked Jeremy Weir as his successor, the commodities trading house was still paying bribes to Brazilian officials for oil contracts. A decade later the payments have come back to haunt the company: it pleaded guilty in the US in March. But Weir said this is all in the past.

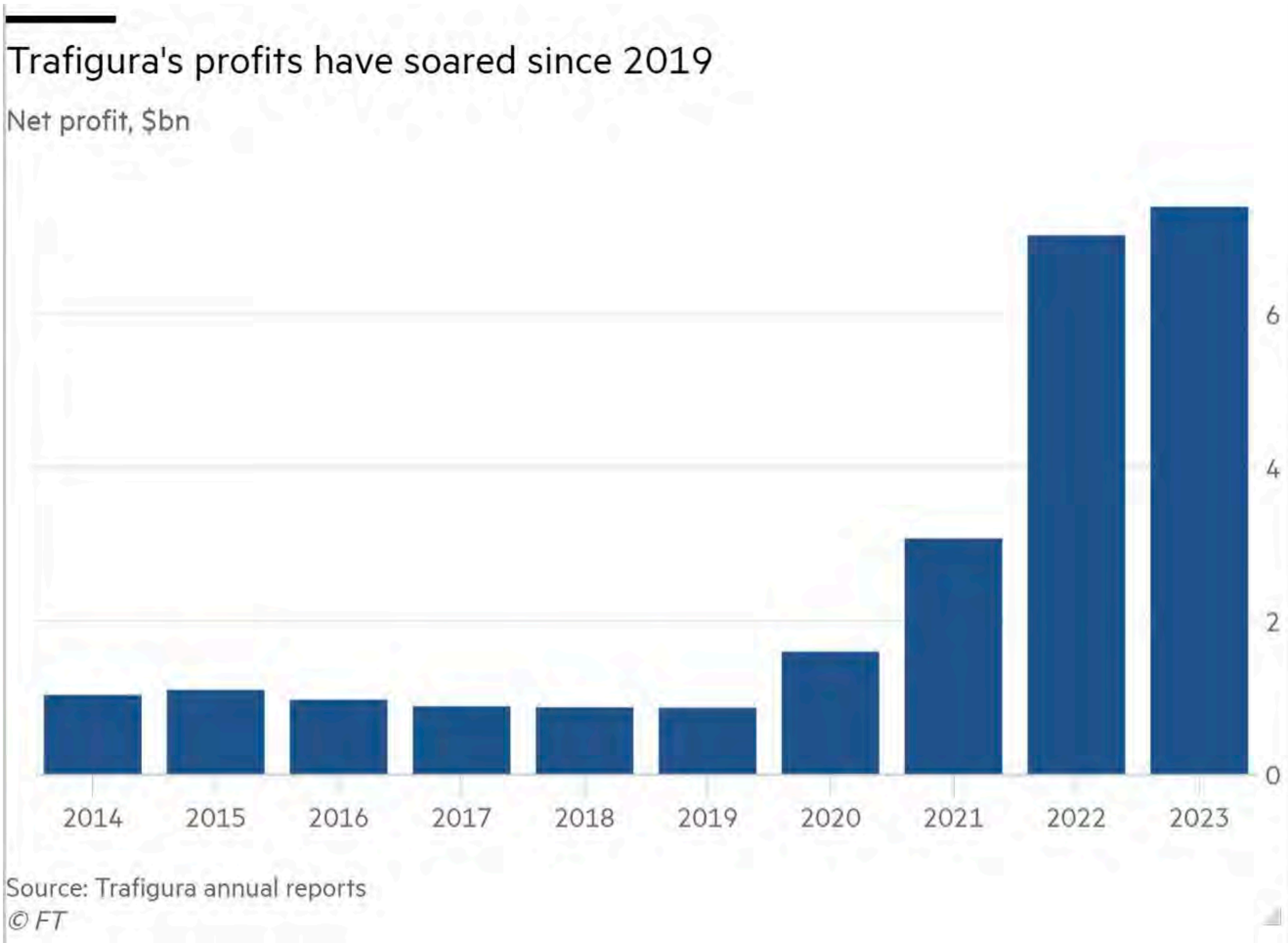
"We have taken responsibility for the actions of those former employees," Trafigura's executive chair and chief executive said this week at the FT Commodities Global Summit in Lausanne. "To me it rules a line under this . . . and we are now moving forward."

The corruption scandals have done little to hinder Trafigura's ascent as a diversified commodities trading powerhouse. The Singapore-registered company is one of a handful of privately held firms that help form the backbone of the global economy, moving everything from oil and gas to metals and power around the world. Last year it traded the equivalent of the combined oil demand of the UK, France and Germany — an average of 5.5mn barrels a day. It sold more than 100mn tonnes of metals and bulk commodities, including coal. Its revenues of $244bn exceeded those of British oil major BP.

"It's become a big beast," said Weir, who is based in Geneva. "When I took it over . . . the business was very different," he said. "The size of the company . . . the breadth of where it operates . . . the interaction with stakeholders around the world . . . the transparency."

Since taking the helm, the Australian metals man has expanded into gas and power trading, carbon markets and emerging areas such as hydrogen. Trafigura's recent contracts include a government-backed deal to supply Germany with gas, and the rehabilitation of rail links in central Africa with support from Washington. Last month it agreed to acquire UK-based Greenergy, one of Europe's largest suppliers of biofuels.

Russia's full-scale invasion of Ukraine and the subsequent disruptions in commodities markets have been a boon. Net profits reached a record $7.4bn in 2023, up from $7bn a year earlier, and more than eight times what it made five years ago. While it remains one of the world's biggest metals traders, most of its profits now come from the energy division.



The journey has been bumpy at times. Trafigura was founded in 1993 when Dauphin and four other executives broke away from Marc Rich, the trading industry godfather who was by then wanted by US authorities for tax evasion and violating Iran sanctions. Marc Rich + Co, the business they left behind, would evolve into Glencore and for years the smaller Trafigura struggled to compete.

In 2006 Dauphin spent five months in prison in Ivory Coast, after a local company dumped toxic waste from a Trafigura-chartered vessel in the country's largest city, Abidjan.

Trained as a geologist and first working in the Australian mining sector, Weir traded metals derivatives at NM Rothschild. He joined Trafigura in 2001 as head of metals, just as commodity demand in China soared. Glencore listed in 2011 but Trafigura — like its other rivals Vitol, Mercuria and Gunvor — has eschewed public markets. Today it is owned by some 1,400 senior employees up from 600 in 2015.

While it remains privately held, Trafigura has adopted some of the behaviours of a publicly listed corporation. It began publishing detailed annual accounts in 2013, joined the Extractives Industry Transparency Initiative in 2014 and released its first sustainability report in 2015.

Despite those efforts, Trafigura's conduct was thrust back into the spotlight last month when it pleaded guilty in the US to paying almost $20mn of "corrupt commissions" in Brazil between 2003 and 2014.

The statement of facts, which Trafigura accepted as "true and accurate", said its then CEO Dauphin — who was not named in the judgment but who was identifiable — had approved bribe payments. The company agreed to pay $127mn in fines and forfeited profits.

The company and its recently departed chief operating officer Mike Wainwright will also go on trial in Switzerland over alleged bribery in Angola between 2009 and 2011. Trafigura has said Wainwright rejects the charges against him.

Weir, who joined the management committee when it was set up in 2007 and became chief executive in 2014, said he had no knowledge of the

Brazilian bribery scheme at the time and declined to comment on Dauphin's involvement.

"It doesn't reflect the company that it was then [and] it doesn't reflect the company that it is today," he insisted in Lausanne.

Trafigura is not alone in dealing with its past. In recent years, Glencore, Vitol and Gunvor have settled similar corruption charges with the US Department of Justice. Since then, most have stopped using intermediaries to win business — Trafigura did so in 2019. All have pledged to improve compliance.

Compliance officers are now "an integral part of the decision-making process", Weir said. "My first question is [always] 'Have you spoken to compliance?' And, you know, nine and a half times out of 10, they already have."

Jean-Francois Lambert, a former commodities banker and longtime consultant to the sector, said Trafigura had sought to move on from the "Dauphin-era". "They have adapted the company to the new realities of the market, where society at large is requesting more transparency," he said.

After Dauphin died in 2015, Weir ran the business alongside Wainwright and the former head of oil Jose Maria Larocca, consolidating his leadership as CEO and executive chair in 2018.

Wainwright retired in March and Larocca will exit at the end of September, leaving Weir as the longest-serving employee on the senior team.

The 59-year-old has no immediate plans to retire but said his successor would not be picked based on which trader was making the most money for the business.

"What I've learned a lot in the last 10 years [is that it is] very diverse, can be challenging, very lonely, because you often have to make difficult decisions," he said.

A leading contender is former British military officer Richard Holtum, who joined from Glencore in 2014 and now runs Trafigura's gas, power and renewables division, according to people familiar with the matter. The company declined to comment.

It is no longer enough for the Trafigura boss to be a bold trader with good connections and an eye for a deal. They needed to engage with governments and present the company to the world, Weir said. "You have to learn how to operate within that sort of system."