

An urgent letter to 683 listed extractives companies has today been sent asking for specific disclosures on every individual tailings facility under their control. The request is part of an urgent global engagement by investors in response to the Brumadinho tailings dam disaster.

The letter has been sent by the Church of England Pensions Board and the Swedish Council on Ethics for the AP Funds, and is supported by 96 investors with \$10.3 trillion (USD) in assets under management. The engagement is also supported by the UN-supported Principles for Responsible Investment (PRI).

The letter requests that companies:

1. Publish the disclosure on their company website within 45 days.
2. Ensure that the disclosure is signed by the company Chief Executive Officer or Board Chair.
3. Consider how to communicate any disclosure with communities that might be affected by the company tailings footprint.
4. If unable to answer a question, or provide the requested information, the company should clarify what action it is taking to address the issues.

The individual company disclosures will be scrutinised by investors as they develop an assessment framework to profile each company on their tailings management.

This request follows two high level investor roundtables convened by the Church of England Pensions Board and Swedish Council of Ethics at Church House in London on the 4th March and 1st April. Investors are due to meet again in May.

Adam Matthews, Director of Ethics and Engagement for the Church of England Pensions Board and the Co-lead on the Investor Mining & Tailings Safety Initiative said:

“These disclosures will drive a new level of accountability and transparency within the mining sector and will form the basis of further interventions as investors continue our engagement following the tragedy of Brumadinho.

“It is essential that investors can establish a clear line of sight on which company has which tailings facility and how that facility is being managed. The current disclosures from companies are largely inadequate.

“We know good practice exists, but we need to be able to understand how every mining company manages each facility. We are working across the investment community and with expert input to create a global database to assess this information.”

John Howchin, Secretary General of the Swedish Council on Ethics for the Swedish AP Funds. said:

“Having had an initial in-depth review on this topic the need for serious action is very clear. These tailings dams are here for eternity, we need to set a global system in place that handles it, out of respect for the victims of the Brumadinho disaster but also for future generations.”

Professor Upmanu Lall, Chair of the Department of Earth and Environmental Engineering and Director of the Columbia Water Centre at Columbia University, said:

“Tailing dams are massive structures that store toxic waste. Even if they are well designed and operated, they have the potential to fail with catastrophic human and environmental impact.

“Given the thousands of such sites, some failures are inevitable. Alternative mining strategies that are benign are needed. Monitoring, mitigation and accurate disclosure of these risks to investors and society is a primary fiduciary responsibility for mine operators.”

Notes for Editors

- This is the second major intervention by international investors following the Brumadinho disaster. The first intervention made a public call to establish a new standard for tailings dams based upon the consequences of failure with independent and public audits. In response to that request last week a global review was announced and co-convened by the International Council on Mining and Metals (ICMM), the Principles for Responsible Investment (PRI) and the United Nations Environment Programme (UNEP). See: <https://www.icmm.com/en-gb/news/2019/tailings-review>.
- This letter and the request for disclosure is distinct from the ICMM/UNEP/PRI process.
- The text of the letter can be found here: <https://www.churchofengland.org/sites/default/files/2019-04/Disclosure%20Letter%20to%20the%20Extractive%20Industry%20.pdf>
- The disclosure request can be found here: <https://www.churchofengland.org/investor-mining-tailings-safety-initiative>

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