

Company disclosures to investors reveal 10% (166 out of 1,635) tailings dams reported to have had stability issues in their history*

*this could be minor or significant but has since been addressed

Nine months after the Brumadinho disaster in Brazil, that killed 270 people, investors from the Mining and Tailings Safety Initiative, a group that has over USD\$13.5 trillion in assets under management and is co-led by the Church of England Pensions Board and the Council of Ethics of the Swedish National Pension Funds, met today at a high level summit in London with senior executives of mining companies and leading experts to review international progress on mining and tailing safety.

The Summit is the first time investors have been joined by senior representatives of major insurers and banks as they reviewed the disclosures companies have made on tailings dams. The request for information was made to 726 companies and aimed to confirm if they had tailings dams and if so to provide answers to 20 questions on each individual facility. Ahead of the launch of the first ever independent global database on tailings dams, expected to be completed by the time of the anniversary of the Brumadinho disaster, the Summit was presented with the first independent academic assessment of the disclosures to date by Professor Elaine Baker of GRID-Arendal and the University of Sydney. Her analysis revealed the following information:

Total number of tailings dams submitted (not including India) – 1805

Total number minus duplicates (companies reported the same tailings storage facility) **1635**

Number active dams **667**

Number of operating companies **289**

Number of dams by continent ***see below**

Total volume of tailings in storage facilities **45 billion m3**

Dam Raising Types:

Number of downstream construction **523**

Number of upstream construction **635**

Number of centerline construction **121**

Number of dry stacking storage **66**

Number of in pit storage **53**

Maximum dam height reported **265m (Peru)**

Number reported to have stability issue during lifetime **166**

Number of Dams by Continent:

Australia/ Oceania **272**

Asia **226**

Africa **266**

North America **498**

South America **279**

Europe (Transcontinental euro/Asian countries were counted as Europe) **91**

Commenting on the disclosures **Professor Elaine Baker** said:

“This is the first time that those outside of the mining industry have had access to a range of information on many of the world’s largest tailings dams - including where they are located, construction method, current storage volume, risk characterization and history of stability reporting. It is essential that investors and wider society understand the risks associated with these structures and where there have been issues related to their stability. As a result of the intervention by investors, the database we have under construction will support an informed dialogue with mining companies and governments about how to address the ongoing risks around tailings dams.”

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

“Tailings dams are amongst some of the largest engineered structures in the world and we have seen the catastrophic consequences earlier this year in Brazil when they collapse.

Following the investors disclosure request we can now see that 10% of tailings dams have had some level of issue related to the stability of the dam. Whilst assurances have been given that these issues have been addressed, this underscores why investors, banks and insurers will be continuing to work together on this issue until such time we have confidence in a new global standard being implemented and that the highest risk dams have been identified and operate to this standard or are removed.

We note that many companies already operate to a very high standard as evidenced by some of the disclosures, but this is not universal across the sector and dams are continuing to fail, putting lives and the environment at risk.”

John Howchin, Secretary General of the Council on Ethics of the Swedish National Pension Funds and Co-Lead of the Mining & Tailings Safety Initiative, commented:

“Even with these disclosures we still do not have the full picture. Whilst many of the major mining companies have responded to our request, just over half are yet to disclose to us. Investors will be re-doubling our efforts and allocating lead engagers to those companies and using the stewardship tools available to us to secure these disclosures. There is simply no excuse to not disclose on a material risk, that as owners of these companies, we need to urgently understand. It is clear that investors’ patience with non-disclosing companies will not remain for much longer.”

Carola van Lamoen, Head of Active Ownership at asset manager Robeco:

“There’s a clear need for action in this industry, and we’re glad to see that so far a significant amount of companies has already responded to our request. There are still companies who have either not responded, or don’t meet the standard yet. We are working on a collaborative investor engagement program to ensure that non-responding companies are engaged with systematically until such time that they have disclosed to us.”

Summit Agenda:

1. The first intervention of investors was to call for a new global standard of tailings management. At the Summit, investors were updated on the progress in the development of the standard by the jointly convened (co-convened by ICMM, PRI and UNEP) independent Review led by former Swiss Environment Minister Professor Bruno Oberle. (For further information <https://www.churchofengland.org/investor-mining-tailings-safety-initiative>)
2. The second intervention by investors was to identify, through the disclosure request of 726 companies, which companies did have tailings facilities and which did not. The Summit reviewed Professor Baker’s independent analysis of the disclosures that have been received to date.
3. The third intervention was announced at the Summit in the formation of a Global Tailings Database that will take the disclosures and provide them in a publicly available portal ahead of the anniversary of the Brumadinho disaster.

The database for the initiative is being jointly supported by the Church of England Pensions Board, the Council of Ethics of the Swedish National Pension Funds and the United Nations Environment Programme (UNEP) with the initiative’s academic partner GRID Arendal (a non-profit academic foundation established by the Norwegian Government to support the United Nations in the field of environmental information management and assessment) (<http://www.grida.no/>) and the technology partner to the initiative, Satellite Applications Catapult (an independent, not for profit innovation and technology organization, partially funded by the UK government).(<https://sa.catapult.org.uk/>)

Commenting on the partnership, **Ligia Noronha** Director, Economy Division, United Nations Environment Programme said:

"UNEP is pleased to partner with the Church of England Pensions Board, Swedish Council of Ethics and GRID Arendal to create the global tailings database. Information and disclosures are key to trust, assurance and confidence in the mineral resources sector. UNEP looks forward to a

continued engagement with the investor/ finance community to strengthen responsible mining "

Commenting on becoming the technology partner to the initiative **Stuart Martin**, CEO of the Satellite Applications Catapult said:

"There is a clear need for cost-effective monitoring of tailings dams, both operational and abandoned, to help us understand the risks they pose. This is particularly true where the potential consequences are high, even if they are in remote and hard-to-access locations. We will be using the latest satellite technologies to generate up to date independent information on tailings storage facilities. We are delighted to be supporting this unique initiative by bringing our expertise to this vital issue."

Additional Information:

Company Disclosure Responses to date

Of the 726 companies contacted by investors the breakdown of responders to date are:

- **310** responded (representing 43% of the companies contacted)
- **179** confirmed they **did not** have tailings facilities (representing 25%)
- **93** confirmed they **did** have tailings facilities
- **38** companies have not yet published their disclosure on a website or have asked for **extra time** to complete their disclosure
- **416 did not respond** (representing 57%)

Preliminary analysis for the mining sector only indicates:

- **37 out of the top 50** largest mining companies in the world responded
- **76% of the top 50** largest mining companies by market capitalisation responded
- **69% of the industry** by market capitalisation **responded**
- **All 22 out of 22** publicly listed members of the International Council of Mining & Metals responded
- A key outcome of the survey is the need to refine the disclosure request to enable standardisation of responses/terminology etc. across industry as the database evolves and to capture tailings operated by private listed companies and governments

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