

Intervention comes on the 3rd anniversary of the Brumadinho Disaster that killed 270 people.

On the third anniversary of the Brumadinho disaster, that killed 270 people when a mine waste facility (tailings dam) collapsed at a Vale mine site in Brazil, investors published the names of companies that have committed to implement a new Global Industry Standard intended to significantly improve safety across the mining sector.

79 companies, representing a third of companies with tailings dams (by market capitalisation), have committed to implement the new Global Industry Standard on Tailings Management or are assessing their alignment to it. This includes the largest companies that are members of the International Council on Mining & Metals (ICMM) such as BHP, Anglo, Glencore, Rio Tinto and Vale. Importantly, the companies committing to the Standard go beyond their 27 members, signalling the wider adoption of the Standard. 183 companies have yet to confirm if they will implement it, including: Southern Copper, Zijin Mining, ArcelorMittal, Grupo Mexico, Saudi Arabian Mining Company, Ganfang Lithium Co, Boashan Iron & Steel Co, China Northern Rare Earth High-Tech Co, POSCO and Zhejiang Huayou Cobalt.

The £3.5/\$4.7 billion Church of England Pensions Board, which set up and leads the 100 strong coalition of investors representing USD \$20 trillion under management that form the Investor Mining and Tailings Safety Initiative, announced that they will vote against the chairs of company boards at companies in which they invest that have not confirmed their intention to implement the Industry Standard. Given the continued risk posed to communities and the environment from tailings dams the Pensions Board encouraged other investors to consider following suit to drive compliance with the Standard.

Since the 2019 Brumadinho disaster there have been a further 12 incidents at mine sites involving the collapse of tailings or waste facilities including in Angola, Brazil, India, Mexico, Peru and Turkey. Three have involved fatalities (two in Myanmar, with one leading to the loss of 126 lives, and one in Peru). All have resulted in environmental impacts. Whilst a number of the incidents happened at non-listed companies, the issue remains a significant risk for boards of public and private companies.

Commenting on the companies not committing to implement the Standard, Adam Matthews, Chief Responsible Investment Officer for the Church of England Pensions Board and Chair of the global investor Mining and Tailings Safety initiative, said:

"With the low carbon transition leading to increased demand for mining, the legacy of the Brumadinho disaster has to lead to a completely reformed mining sector. We now have a Global Industry Standard where previously one did not exist and investors are working intensively with the UN, industry and other stakeholders to establish the first independent global Institute to verify the Standard is being applied at individual mine sites.

"If anyone doubts the continued risk posed by tailings dams, there have been 12 incidents at mine sites since Brumadinho leading to further loss of life and destruction of the environment. Tailings safety remains a clear and present risk to communities and the environment as well as to those invested in companies or providing them with insurance or banking facilities. We are not yet confident this issue is being properly addressed.

"We are encouraged by the number of companies that have confirmed they will adopt the Global Industry Standard or are assessing alignment. However, any company that sets itself against the Standard will face considerable scrutiny from investors. As a first step we will vote against the chair of those companies and are considering shareholder resolutions. If the chair of a board does not see this as a major risk that requires the highest standards of operation, then they themselves pose a risk to us as a shareholder in that company."

To further support the work of the Mining and Tailings Safety Initiative, it was announced that John Howchin, formerly the Secretary General of the Council of Ethics of the Swedish AP Funds, would become the Global Ambassador for the Initiative to work with investors, mining companies and wider stakeholders in the creation of an independent Global Tailings Management Institute.

John Howchin, Global Ambassador to the Mining & Tailings Safety Initiative, said:

"Brumadinho should never have happened. Mining companies, regulators, investors and governments carry the responsibility that we secure existing dams and that any future expansion of mining happens only with the highest best practice standards. Establishing the independent Global Tailings Management Institute gives us that possibility and I am proud to be able to serve as its Ambassador to work with investors to drive continued action on tailings dams."

The Global Industry Standard on Tailings Management was developed with investors led by the Church of England Pensions Board and the Council on Ethics of the Swedish AP Funds representing the Principles for Responsible Investment (PRI), the International Council on Mining & Metals (ICMM) and the United Nations Environment Programme (UNEP). At an investor roundtable held on the eve of the anniversary, UNEP and the Church of England Pensions Board announced that an independent Global Tailings Management Institute will become operational this year to support companies implementation of the Standard. The Institute will play a key role in overseeing independent audits of company compliance including at mine sites.

Elisa Tonda, Head of Consumption & Production Unit, Economy Division, UNEP said:

"We are extremely pleased with the progress being made by the multi-stakeholder International Advisory Panel that is supporting the formation

of the independent Global Tailings Management Institute. We are determined that the Global Institute enters its initial phase of operation this year and gets ready to support the implementation of the Tailings Standard and to verify compliance at individual mine sites.”

Additionally, a separate multi-stakeholder Independent Advisory Panel on tailings dam disclosures, chaired by Professor Elaine Baker from the University of Sydney and Dr Stephen Barrie of the Church of England Pensions Board announced a six week consultation on a new disclosure standard for the sector that aligns to the Global Industry Standard on Tailings Management. It is intended that this would form the basis for a Global Tailings Portal tracking the locations of the world’s tailings dams. The Portal will be integrated into the Global Institute when it becomes operational.

In addition, work guided by a group of experts is looking at the feasibility of an independent global live monitoring hub that can track the highest risk tailings facilities including through the use of satellite monitoring. This group is expected to report on its findings by the end of the second quarter of 2022.

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