

### **Presentation to the Svemin Environment Conference**

### The Mining And Tailings Dam Safety Initiative

Wednsday 7<sup>th</sup> October 2020











Prenumerera

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Ekonomi

# Swedish AP funds: No confidence in mining company Vale

UPPDATERAD 2019-01-26 PUBLICERAD 2019-01-26



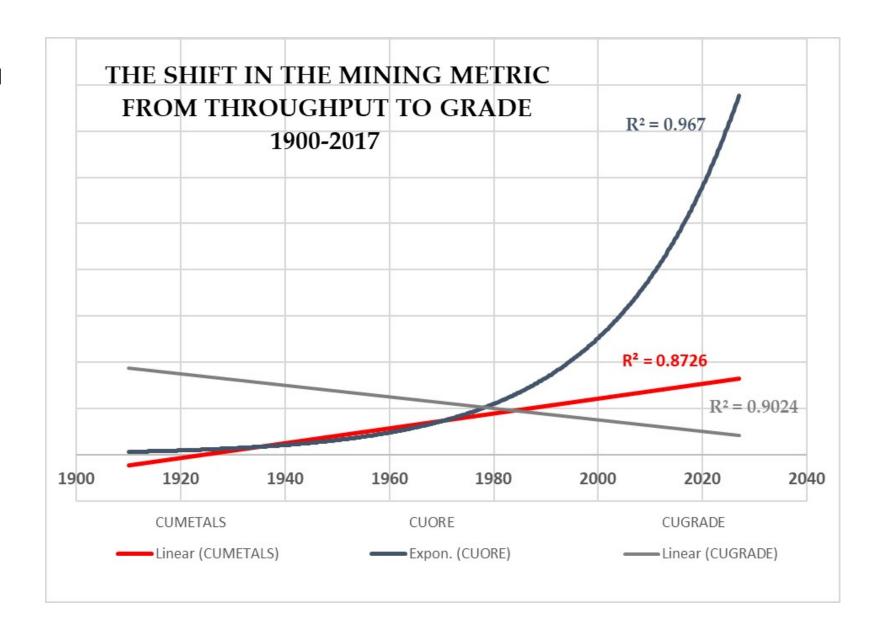




### **More Mined for Less**

The increasing risk globally is in the spread between the red line (finished output) and the dark grey line (ore volume).

Tailings waste volume is most of the space between the red line (finished output) and the dark grey line (ore volume) (Bowker)



# Issues Being Addressed by the Initiative

- 1. How Many Dams, Where are they, What is the risk?
  - Disclosure requirement / independent global database / risk profiling
- 2. What technologies can be additionally deployed?
  - Independent use of satellite technology
- 3. How are tailings liabilities factored into corporate reporting?
  - New standard to be developed
- 4. Addressing the most high-risk facilities/legacy
  - Need for an urgent initiative by governments/companies to remove highest risk facilities.
- 5. Mine of the future without/reduced tailings waste?
  - Which technologies need to be 'turbo-charged' across the sector to remove the need for tailings

# 1<sup>st</sup> Investor Intervention: Public Call for New Global Standard

# A week after Brumadinho issued a public call for:

- 1. A global independent and transparent classification system of the world's tailings dams, based upon the consequences of failure
- 2. The classification system should have corresponding safety standards, and tailing dams should be independently audited that they are meeting the corresponding standard.
- 3. This system should be independent, public and accessible to communities, workers, investors, insurers, lenders and regulators.



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# Call for new independent mine safety system to address tailings dam failures

31/01/2019

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At a glance

Joint call issued by Church of England funds, Swedish Public Pension funds, Dutch funds APG and Robeco, New Zealand Super, UK's LGPS Central and Canadian fund BMO Global Asset Management; together with combined assets over £1 / \$1.3 / €1.1 trillion

The Church of England Pensions Board, Church Commissioners for England, along with Sweden's Public Pension Funds Council on Ethics for AP1, AP2, AP3 and AP4, and funds representing over £1 / \$1.3 / €1.1 trillion in assets under management have today jointly called for a global independent public classification system that monitors the safety risk of mining company tailings dams. The call follows the failing of the Vale dam in Brumadinho, Brazil and the tragic loss of lives, livelihoods as well as devastating environmental impact.







### Global Industry Standard on Tailings Management

Strengthening current practices in the mining industry by integrating social, environmental and technical considerations, the Standard covers the entire tailings facility lifecycle – from site selection, design and construction, through management and monitoring, to closure and post-closure.

With an ultimate goal of zero harm to people and the environment, the Standard sets a global benchmark for achieving strong social, environmental and technical outcomes. It elevates accountability to the highest organisational levels and adds new requirements for independent oversight. The Standard also establishes clear expectations around transparency and public disclosure, helping to improve understanding by interested stakeholders.

Comprising six Topic areas, 15 Principles and 77 auditable Requirements, the Standard provides a framework for safe tailings facility management while affording Operators flexibility as to how best to achieve this goal.

### IV. MANAGEMENT AND GOVERNANCE

Assign responsibility and accountability for key roles in the management of a tailings facility.

Establish standards for critical systems and processes essential to upholding the integrity of a facility throughout its lifecycle. Support cross-functional collaboration and promote an organisational culture that welcomes the identification of problems and protects whistle-blowers.

- 08 Policies, systems & accountabilities
- 09 Engineer of Record
- 10 Levels of review
- 11 Organisational culture
- 12 Whistle-blower protections



### III. DESIGN, CONSTRUCTION, OPERATION & MONITORING

Establish robust requirements for the design, construction, operation and monitoring of tailings facilities to minimise the risk of failure by maintaining an informed knowledge base. As tailings facilities are dynamic engineered structures, demonstrate the ability to upgrade a facility to a higher consequence classification or, where this is not feasible, reduce the consequences of a potential failure.

- 04) Plan and design to minimise risk
  - **05** Develop a robust design
    - **06** Minimise and manage risk across lifecycle
      - Monitor across lifecycle

a community-focused emergency preparedness sponse plan. Consider the adequacy of capacity of his internally and externally to respond, and engage with communities and public sector and other agencies to prepare for the event of a failure. Support the long-term recovery of communities and the environment affected by a catastrophic tailings facility failure.



13 Emergency response





#### VI. PUBLIC DISCLOSURE & ACCESS TO INFORMATION

Disclose relevant information about the tailings facility to support public accountability. Commit to participate in global initiatives for the creation of standardised, independent, industry-wide and publicly accessible information about the safety and integrity of tailings facilities.

15 Public disclosure

#### I. AFFECTED COMMUNITIES

Respect human rights, by conducting human rights due diligence to identify and address those rights most at risk. Provide opportunities for meaningful engagement of project-affected people in decisions that may have a bearing on public safety and the integrity of the tailings facility.

01 Human rights, meaningful engagement and remedy for harm

#### II. INTEGRATED KNOWLEDGE BASE

Develop and document knowledge about the social, environmental and local economic context of a proposed or existing tailings facility. This multi-disciplinary knowledge base will support informed decision-making by operators and key stakeholders throughout the tailings facility lifecycle, e.g. in alternatives analyses, impact assessments, choice of technologies, consequence classification, emergency response plans, and closure planning.

- (02) Interdisciplinary knowledge base
- (03) Informed decision-making

# 2<sup>nd</sup> Investor Intervention: Urgent Disclosure

- Letter to be sent to CEOs/Chairs of 726 listed extractive companies (mining & O&G) on 1<sup>st</sup> April
- To disclose on all joint ventures & non operated JVs
  - Companies were given 45 days to respond
  - Supported by investors with over US\$12.5 trillion in AUM (\$10.3 at launch)
  - 20 disclosure questions developed in consultation with:
    - Independent expert input
    - Independent technical expert input
    - Input from ICMM
    - 3 large and 1 small company input
- Public database to be developed to track company responses
- Online website to provide additional guidance / answer FAQs





\*Individualised letter to Mining company CEO/Chair\* Address

Address Address

5<sup>th</sup> April 2019

#### Re: Urgent request for information concerning tailings dam management

We write as 96 investors in the mining sector, who together represent over \$10.3 trillion in assets under management. This urgent engagement is being led by the Church of England Pensions Board and Swedish Council on Ethics for the AP Funds and backed by the UN-supported Principles for Responsible Investment (PRI).

The tragic loss of life from the Brumadinho and Samarco catastrophic tailings dam failures highlighted the devastating consequences when something goes wrong.

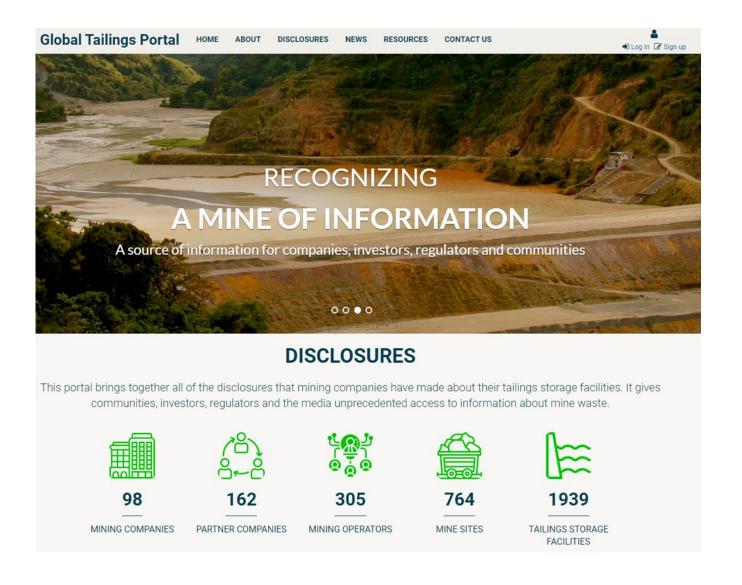
As responsible investors, we are committed to working with the mining sector to ensure that verifiable best practice standards are developed, implemented and maintained. To enable proper engagement on tailings dam management we need to assess the risks and the current state of tailings dam facilities that individual mining companies are associated with and/or have responsibility for, whether under construction, operation or retired/decommissioned.

#### **Disclosure Request:**

As institutional investors in the mining industry and in the absence of common public reporting standards on tailings storage facilities we respectfully request that you provide specific disclosures of all the tailings facilities of your company, as set out below. We ask that you provide this information, in accordance with the disclosure request included below (Annex 2), in table format. This disclosure should also include:

- All tailings facilities where the company has any interest, through subsidiaries, partnerships, joint ventures both incorporated and unincorporated and any other enterprises of whatever legal form.
- All joint venture partners reporting on jointly owned facilities, even if you are not the
  operating partner ("NOJV's"), should use the same facility name/identifier in the
  disclosure statement.

Given the urgency and magnitude of this issue, we request that the public disclosure of this information, certified by either the Chairperson of the Board of Directors and/or the Chief Executive Officer\*, be placed on your company website within 45 days of the date of this letter. We are in the process of developing a public investor register of those companies that make the disclosures requested.





https://tailing.grida.no/









Of the 723\* companies contacted the breakdown of responders were:

- **339** responded (representing 47% of the companies contacted).
- 187 confirmed they did not have tailings facilities (representing 26%).
- 152 confirmed they did have tailings facilities.
- **39** responding companies have not yet published their disclosure on a website or have asked for **extra time** to complete their disclosure.
- **384 did not respond** (representing 53% of contacted companies)

Breaking these figures down further for the mining sector only, analysis indicates:

- 45 out of the top 50 largest mining companies in the world responded.
- 86% of the industry by market capitalisation responded.
- 66% of the industry by market capitalisation fully and publicly disclosed.
- 23 out of 23 publicly listed members of the International Council of Mining & Metals responded and publicly disclosed.

Special praise to LKAB – the only non-listed company responding and thereby setting the bar

### Global Mining and Tailings Safety Initiative Strategy to address tailings dam safety

Working to establish an International Panel convened to identify most dangerous tailings dams and propose a mechanism for their removal

Initiative to remove most dangerous dams

First Global Industry Standard Following investor call, an Independent Global Tailings Review co-convened by ICCM, PRI, UNEP and led by independent Chair, Professor Bruno Oberle has produced the first Global Industry Standard on Tailings Management

Call to industry to:

- convene a global technology programme to accelerate development and application of technology to address tailings waste;
- develop an industrywide programme to rapidly grow pipeline of expertise and knowledge

Accelerating technology and knowledge

Action and implementation underpinned by investor/company Principles on Tailings

Disclosure Standard & Independent global database

Phase 1: Launch of independent data Portal by GRID-Arendal supported by Church of England, Swedish Council of Ethics and UNEP.

Co-ordinated investor engagement underway with nonreporting companies

Phase 2: Integration of UK Satellite Catapult capabilities

Investor initiative launched to examine company reporting standards Investor and insurance roundtable to be convened to examine how we can create appropriate insurance provision for tailings dams adhering to the new Global Standard

Reporting and insurance

24/7 tailings alert system

International Investors' call for creation of an Independent Global 24/7 Tailings Dam Alert/Monitoring Station to track all tailings facilities (as with Aviation/ Shipping industries) using ground and satellite technologies.









### Going into 2021

- Establish an Independent International Entity to oversee global implementation of Tailings Standard up and running by close of 2021
- Independent verification procedure on standard
- A merger with the standard and the global data Portals
- Backing of insurance industry and banking
- Evaluate outcome and practical tools coming out of implementation of Standard
- New database structure with feed-in function for each tailing dam and satellite identification of orphan dams
- One global 24/7 alert system for all tailings dams backed by investors, banks and insurers
- Support for a international mechanism to remove the most dangerous orphan dams

# Thank you,

# The Mining And Tailings Dam Safety Initiative





