

Church of England rattles tailings sabre

Only one third of companies with tailings dams have adopted standards



Infrastructure > Natural-resources Three years to the day since the Brumadinho dam disaster, the Church of England's pensions board said on Tuesday it would vote against re-electing company heads of 183 mining companies who have not committed to a new global standard on tailings.

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The pensions board said 79 mining and metals companies have signed onto the new Global Industry Standard for improving the safety of tailings dams worldwide. This represents just one-third of companies with tailings dams, by market capitalisation.

BHP, Anglo American, Glencore, Rio Tinto, and Vale have signed up to implement the standards.

The standards were developed by the pensions board, the Council of Ethics of the Swedish AP funds representing the Principles for Responsible Investment, the International Council on Mining & Metals, and the UN Environment Programme.

The pensions board oversees approximately US\$5 billion in assets, but it also set up and leads a 100-strong coalition of investors representing USD \$20 trillion under management that forms the Investor Mining and Tailings Safety Initiative.

Companies which have yet to confirm adherence to the standard include Southern Copper, Zijin Mining, ArcelorMittal, Grupo Mexico, Saudi Arabian Mining Company, Ganfang, Chium Co, Boashan Iron & Steel Co, China Northern Rare Earth High-Tec, POSCO, and Zhejiang Huayou Cobalt.

The tailings disaster at "Brumadinho" has caused investors to rethink their approach to the sector," Adam Matthews, the chief responsible investment officer of the pension board, said.

"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," Matthews said in the Tuesday statement. "We are not yet confident this issue is being properly addressed."

The investor board will also be launching roundtables to discuss deep-sea mining, indigenous rights, climate change, and artisanal mining, among other topics, in the next year, Matthews said.

"It's incumbent on investors to interact with a range of issues that impact the whole sector," he said.

The roundtables will kick off in late February.

The CoE Pension Board has been leading an initiative into changing how mining companies assess and maintain their tailings facilities since the 2019 disaster in Brazil.

Together with Principles for Responsible Investment (PRI), the C of E has launched a series of initiatives, roundtables, and an institute to pressure mining companies to minimise tailings risks.

The Investor Mining and Tailings Safety Initiative seeks to remove the most dangerous dams as well as create a new global standard for tailings dam safety.

It has worked to develop an online database containing all the available details about existing tailings dams worldwide. It has now launched a process to develop a global tailings safety standard, and has appointed an advisory panel including community members, NGOs, and governments.

The organisation has also launched an independent global institute called the Global Tailings Management Institute, along with the UN Environment Programme and the Council on Ethics of the Swedish National Pension Funds.

This institute will assist in encouraging the adoption of the Global Industry Standard on Tailings Management, and serve as a repository for knowledge on tailings safety and management. This institute will be operating in 2022, Matthews said.

The advisory group for this institute is currently convening to decide on the institute's charter, its governance structure, where it will secure its short- and long-term funding, and auditing and compliance processes.

The institute's global tailings monitoring working group report will be released by the end of the March quarter. A working group of experts looking at the feasibility for tracking tailings facilities via satellite will also release a report at the end of the March quarter.

The industry is aware of how critically important it is to address tailings risks, ICMM COO Aidan Davy said.

"Our responsibility as an industry is to protect people and the environment," he said. "It is imperative to learn from past failures and redouble efforts to ensure the integrity of tailings facilities."

The organisation has published a good practice guide for tailings management and is developing conformance protocols to outline the global tailings standard's requirements.

All 35 ICMM members must comply with the global industry standard on tailings by August 2023, by ensuring that all 'extreme' or 'very high' potential consequences will conform with the standard by this date, Davy said.

The Brumadinho dam disaster on 25 January 2019 was caused by the failure of Dam I, a tailings dam at the Córrego do Feijão iron ore mine, 9 kilometres (5.6 mi) east of Brumadinho, Minas Gerais, Brazil. The collapse killed more than 240 people.



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