

LAPFF Releases Major Report on Mining and Human Rights

Findings suggest poor practice across the industry

The Local Authority Pension Fund Forum (LAPFF) has today published a major report expressing its perspective on human rights practices in the mining industry. This report covers Anglo American, BHP, Glencore, Rio Tinto, and Vale. While many of these companies have acted responsibly in relation to some issues, and taken steps to rectify some previously poor practice, one of the main concerns highlighted in the report is the accountability gap relating to environmental, social, and governance practices in joint ventures between companies. This seems an industry-wide problem..

The report is a reflection of LAPFF engagements with the five companies and multiple communities affected by these companies' projects globally. There are definite signs that some of these companies are trying to engage with human rights issues in accordance with international standards, yet there is little evidence thus far that many of these steps are leading to improvements on the ground for the communities affected. These environmental, social and governance risks and impacts, which result in direct human rights impacts on individuals and communities, often have serious financial consequences.

The report highlights a number of cases of concern, including:

- Juukan Gorge in Australia, where Rio Tinto destroyed a 46,000 year old cultural heritage site;
- The Mariana and Brumadinho tailings dam collapses in Brazil, where both BHP and Vale were involved (BHP relating to Mariana);
- Cerrejón thermal coal mine in Colombia, until recently a joint venture between Anglo American, BHP, and Glencore, which has seen significant social and environmental impacts related to the mine; and
- Resolution Copper, a joint venture between BHP and Rio Tinto, which will undoubtedly
 affect communities consider and is a threat to a cultural heritage site and water
 resources in Arizona, USA.

LAPFF Chair, Cllr Doug McMurdo stated: "I want to be very clear. The five companies in the report have been those kind enough to engage with LAPFF over the past few years and most of their human rights practices are probably better than many others in the sector. These poor practices are of grave concern to me not just as a human being but as an investor. If I look at accounts of how many lives, livelihoods, and environments have been destroyed, and how much money could have been saved through appropriate governance and human rights due diligence, the scale is in the order of billions of dollars, though of course the lives are priceless.

As investors we have, too often, been mere bystanders to a human and financial travesty. This report shows that both we and the companies must change."

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About the Local Authority Pension Fund Forum: The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 85 public sector pension funds and seven pool companies based in the UK with combined assets of over £300 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' PIRC is the Research and Engagement partner to the Forum @lapfforum.https://lapfforum.org/.