



April 29<sup>th</sup> 2023

To: GRI Global Sustainability Standards Board

Re: GRI Mining Standard exposure draft – public consultation

We welcome the opportunity to comment on the mentioned Exposure Draft, what we will do in a concise and objective way, with the expectation that they will be carefully analysed and considered.

As a matter of introduction of our organisation, the Association Soluções Inclusivas Sustentáveis (SIS – Sustainable Inclusive Solutions, in English) is a Brazilian-based non-profit organisation focused on the connections between Sustainability and Finance, with a deep expertise on ESG financial regulations and voluntary standards at global-level. Since 2017, its seed-organisation, a small consultancy founded also by me, has been contributing to public consultations of financial regulators, including in the European Union, USA, Brazil, China, Chile and India. We have also been delivering training to financial regulators and financial institutions and providing consulting services to organisations such as the Taskforce on Nature-related Financial Disclosures (TNFD), where I engaged with stakeholders from South America and Africa in 2020 and was later the only Latin American member of the Technical Expert Group, the IFC-hosted Sustainable Banking and Finance Network, the German international cooperation agency GIZ, the World Wildlife Fund (WWF), Principles for Responsible Investment (PRI), the Chain Reaction Research, and others. Previous to that, I have developed a broad and deep research on ESG finance including financial regulations and market best practices at global level from 2014 to 2016, and have worked as Legal Counsel at the Brazilian Central Bank, who is also the national banking regulator, from 2007 to 2016. My PhD research (mostly developed in the USA) was focused on consensus-building on public policies disputes and I have also delivered dozens of

trainings and acted in real conflicts on the field in Brazil. I have several scientific publications on both knowledge fields and have been talking in many relevant multistakeholder Sustainable Finance forums.

Drawing upon these experiences, I have come to realize that corporate sustainability disclosures often lack three crucial pieces of information. Firstly, companies fail to disclose the specific locations of their operations, particularly those that extend beyond administrative offices and commercial points. Secondly, there is a dearth of information regarding the volume of goods and services produced, which is necessary to evaluate the efficient utilization of natural resources. Thirdly, it is essential to establish a baseline in terms of environmental and social impacts, whenever it is feasible to isolate such impacts at the company level.

### **I – Mandatory topics**

First of all, we disagree that certain topics involved in mining activities can be considered optional in terms of disclosure. There is no possibility that key topics such as “Water and effluents”, “Biodiversity”, “Tailings”, “Waste”, “Closure and rehabilitation”, “Local communities”, “Climate adaptation and resilience”, “Critical incident management” and “Occupational health and safety” are not considered material, for every type of mining ore and even location.

So, we strongly suggest that the referred topics are considered that minimum mandatory disclosures, if the GRI standard is adopted.

### **II – Suggestions of additions to the draft text**

For the other topics, we analysed the most relevant issues addressed in the draft and we offer our contributions for improvements, once a few key topics are missing.

#### **Topic 14.2 – Climate adaptation and resilience**

We suggest the following text to be added either to the paragraph from lines 366 to 373 or as independent paragraph just after it:

*“Increases in rainfall due to the climate crisis are already observed worldwide, but the spillways of tailings dams have been scaled for past rainfall standards and also those estimated for 500, 1,000 or 10,000 years, which are based on these same records. The sizing of these spillways has certainly not been carried out taking into account the maximum predicted rainfall (PMP - Probable Maximum Precipitation) and they will probably be unable to withstand the volume of water resulting from the rains that are expected to occur in the coming decades. The dams*

*can then collapse by climbing, when the water contained in the reservoir exceeds the crest of the dam, in large volume and high speed, and causes the partial or total rupture of the massif. This extravasation can cause serious social and environmental disasters and great damage to the public economy. <sup>1</sup>”*

#### **Topic 14.4 – Biodiversity**

In the paragraph starting at line 472 (page 24), which describes biodiversity impacts, we suggest that the second sentence includes, after “habitat fragmentation”, the following text:

*“, turning protected areas into islands and generating the impoverishment of fauna and flora”. <sup>2</sup>*

We also suggest this additional paragraph:

*“The studies of environmental impacts must be more detailed regarding, that are based on research, data collection and geoprocessing methodologies and that indicate alternatives that should be adopted for the maintenance of ecological corridors of aquatic and terrestrial fauna and/or flora in the areas directly and indirectly affected by the implementation of the enterprise. Synergic and cumulative impacts also need to be considered and disclosed.”*

#### **Topic 14.6 – Tailings**

In the paragraph starting at line 596, we suggest that, in the sentence that mentions “Surface tailing facilities are contained by dams”, just after it and before “and can cover vast areas”, the inclusion of “or pits exhausted or deposited in piles of filtered tailings”. The new sentence would be: “Surface tailing facilities are contained by dams or pits exhausted or deposited in piles of filtered tailings and can cover vast areas”.

After the mention to “amount of rainfall” on line 618, we suggest to add “*and its regime, taking into consideration climate change scenarios and PMP (Probable Maximum Precipitation)*”.

After the paragraph from lines 616 to 619, we suggest the following ones are included:

*“In order to decide properly the location and type of storage for the tailings, it is necessary to include relevant information about the planned mine, such as projected volume, tailings generation rate, and local water balance. These data enable to evaluate different disposal options depending on various water supply and precipitation scenarios. It is also important to*

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<sup>1</sup> See: Olsen (ed.). Adapting Infrastructure and civil engineering practice to a changing climate. Committee on Adaptation to a Changing Climate. 2015. DOI: 10.1061/97807884479193

<sup>2</sup> The description of that impact can be found at: Hilty, J.; Lidicker, W.Z.; Merenlender, A.M. Corridor ecology: the science and practice of linking landscapes for biodiversity. 2006. ISBN:1-55963-096-5.

*analyze the physical, rheological and environmental reactivity characteristics of the tailings to select the appropriate disposal method. However, as the project progresses, it is necessary to deepen the knowledge about the characteristics of the tailings and confirm the assumptions considered in the subsequent phases. This can lead to design revisions, but is crucial to avoid environmental contamination by generating acid drainage and/or leaching metals.*

*When reviewing tailings storage options, it is important to consider factors such as distance from the plant, complexity of tailings transport and water recovery structures, area potentially affected in the event of collapse, size of the contribution basin, expansion potential, availability of building materials, and closure requirements. It is also recommended to consider the occupation of depleted mine pits and existing disposal areas before constructing a new dam for tailings deposition <sup>3</sup>.*

*Tailings management and storage options should be studied carefully and the selection of the option for implementation should take into account the interests of all stakeholders.*

*Organizations are expected to incorporate best practices into their processes, promote detailed inspections and continuous improvements in all their active, inactive, and closed tailings structures, including timescale follow-up plan, involve all their areas of operations in the monitoring process, be transparent in the internal and external communication of problems encountered, engage affected communities and regulatory bodies proactively, promote continuous training of their professionals” <sup>4</sup>.*

#### **Topic 14.7 – Water and effluents**

We suggest the following texts are included:

*“A recent mining extraction process that causes severe and irreversible damages to water springs is the use of lowering the water table. The adoption of this process and its impacts should be disclosed.*

*Another very relevant impact is the use of water in mining pipelines. If this method is adopted in any of the company’s operations, this information should be reported, including the amount of water used and its effects in the water balance in the affected areas.*

*Synergic and cumulative impacts also need to be disclosed.”*

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<sup>3</sup> References: [Management of Dams and Tailings Disposal Structures – IBRAM \(in Portuguese\)](#)

MAC (2017). A Guide to the Management of Tailings Facilities. 3<sup>rd</sup> edition.

<sup>4</sup> See also: ICMM. Tailings Management Good Practice Guide.

#### **Topic 14.8 – Closure and rehabilitation**

In the topic that mentions the need of planning for closure activities (line 684), we suggest to clarify that *“this planning should include budgeting and subsequent indication of the sources of funding”*.

In the paragraph that describes the various environmental impacts of mines closures, we suggest the inclusion, just after *“soil contamination from overburden heaps”* (line 689), of two other examples *“depleted ore piles and tailings holding structures”*.

In the list of closure activities (lines 693 to 701), we suggest the inclusion of three items:

- line 695 – after *“decommissioning of processing facilities”*, adding *“and other infrastructures”*;
- just after it, including *“decommissioning of dams, overburden heaps, tailing piles and other tailing structures”*;
- after the item at line 698: *“review of river sewage systems and resizing of spillways aiming at maximum possible rainfall and considering climate change scenarios”*;
- as a last item: *“environmental and social remediation actions as a consequence of monitoring activities”*.

#### **Topic 14.15 – Critical incident management**

We suggest this additional paragraph:

*“Some giant mining companies have been involved in tailing dams collapses (or similar incidents) that caused major damages to communities, to biodiversity and to their own workers, without mentioning the economic losses. The way they react and compensate the victims and the environment is a key information that needs to be disclosed to shareholders and all other stakeholders, describing all the initiatives undertaken, the technical studies carried out and their conclusions, the investigations, administrative and judicial procedures and their outcomes, the corresponding expenses, the changes adopted in the prevention of similar incidents, as well as the dialogues developed with public authorities, relevant civil society organizations and representatives of the victims.”*

#### **Topic 14.24 – Public policy**

Among the potential risks involved in lobbying activities (lines 1453-1459), we suggest the following inclusions:

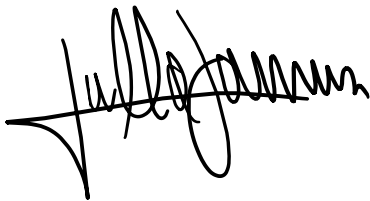
- *obtain approvals for the use of the public road system for the transportation of ores and tailings without assuming responsibility for the consequences of this use (accidents, financial costs of wear, densification of traffic, pollution, and others);*
- *obtain authorization for the fragmentation of the environmental permit process of mining projects located in contiguous areas that are actually a single one (with one integrated management).*

### III – Final remarks

We want to highlight that, for item II, a team of other five very senior professionals, from the private, nonprofit and academic sectors, was involved in the elaboration of this contribution, within a very short period of time. These professionals provided inputs that we considered fully appropriate and valuable and they received our full gratitude and support, and that's the reason why they are integrated here.

We expect all these contributions are carefully analysed and considered. Should you have any queries concerning the matters pointed out in this comment letter, or wish to discuss them in further detail, please contact me via e-mail at: [lumoessa@hotmail.com](mailto:lumoessa@hotmail.com) or [luciane.moessa@sis.org.br](mailto:luciane.moessa@sis.org.br).

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