



Sustainability Accounting Standards Board

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sasb.org

December 27th, 2019:

Dear Dr. Bruno Oberle:

Thank you for the opportunity to respond to your public consultation on the draft Global Tailings Standard. We strongly support The Global Tailings Review's objective to build a structured approach for management and disclosure by the industry and wish to congratulate you on publishing the new draft Global Tailings Standard.

By way of introduction, I write to you as the Analyst & Sector Lead – Extractives & Minerals Processing for the Sustainability Accounting Standards Board (SASB). SASB is an independent non-governmental organization that issues industry-specific sustainability accounting standards for the disclosure of financially-material information to investors. Using a robust due process with significant market input, SASB has established standards for 77 industries across 11 sectors. Each standard includes, on average, six disclosure topics and thirteen associated metrics.

The SASB standards are globally applicable and can be used in communications to investors via financial filings, corporate websites, annual reports, sustainability reports, and elsewhere. SASB enjoys broad market support. SASB's Investor Advisory Group (IAG), organized by SASB in late 2016, is comprised of 49 firms with more than \$34 trillion in assets under management. The standards are referenced by more than 575 companies globally. Suncor Energy Inc, Hecla, and Mosaic are a few Metals & Mining companies that have reported using the SASB standards, while Newmont Goldcorp, Barrick Gold and Teck Resources are on Standards Advisory Group for Extartives & Minerals Processing Sector.

SASB research has identified tailings management as financially material - that which has an impact on the financial condition or operating performance of a company within an industry - in two key industries, Metals & Mining and Coal Operations. SASB standards contain associated sustainability accounting metrics to allow companies within these industries to transparently report on their performance, risk management efforts, and other activities related to tailings management to demonstrate long-term environmental and social performance.

There has been significant evolution in investor interest and corporate disclosure related to tailings facilities management since the SASB standards were codified in November 2018. As a result, following SASB's fourth quarter 2019 Standards Board meeting, SASB has initiated a standard setting project to review its standards relevant to tailings facilities management. The current standard for the Metals & Mining (MM) and Coal Operations (CO) industries within the Extractives & Minerals Processing (EM) sector are being evaluated for potential revision to ensure the set of disclosures they provide fully captures the risks associated with company management of tailings storage facilities. The project will also aim to improve global applicability of the standards.

Our comments primarily relate to Topic VI due to SASB’s focus on developing disclosure standards that capture company performance on sustainability matters. After reviewing The Global Tailings Standard, we offer the following recommendations for your consideration:

- 1) Having received market input on the SASB standards, we recognize the importance of ensuring clarity on the scope of reporting. As such, we recommend that the Global Tailings Review clarify how The Global Tailings Standard applies to the operator versus the facility owner, including but not limited to non-operated wholly owned sites, joint ventures, and/or minority interests. For example, within the SASB standards, the scope of reporting applies to entities that are consolidated for financial reporting purposes. SASB’s [Standards Application Guidance](#) Section 3.0 “Reporting Boundaries” states:

The reporting boundaries for disclosures that conform with the SASB standards shall include all parent and subordinate entities that are consolidated for financial reporting purposes. Disclosures for consolidated entities shall not be adjusted for minority interests. Unconsolidated entities shall be excluded from the reporting boundaries. However, the entity should disclose information about unconsolidated entities to the extent that the entity considers such information necessary to understand the effect of one.

- 2) Our review of the Global Tailings Standard highlighted several aspects of the Global Tailings Standard that align with the SASB standards, particularly REQUIREMENT 17.1 (the SASB standards can be downloaded [here](#)). SASB supports the inclusion of these items in the final Global Tailings Standard.
 - a. Principle 3, REQUIREMENT 3.1 aligns with SASB Disclosure Topics “Security, Human Rights & Rights of Indigenous Peoples” and “Community Relationships”. See Page 27 and page 32 of Metals & Mining Industry.
 - b. Principle 4, REQUIREMENT 4.1 aligns with SASB Topic “Waste & Hazardous Materials Management.” See Page 18 of Metals & Mining Industry.

As discussed above, the Board approved a [Standard Setting Project](#) entitled “Tailing Management in Extractives” at our December 4th 2019 Standards Board meeting. The project will evaluate the issue of tailings facility management in the Metals & Mining and Coal Operations industry standards, including the scope of the Waste & Hazardous Materials Management topic and its corresponding accounting metrics such as EM-MM-150a.3: “Number of tailings impoundments, broken down by MSHA hazard potential”, which aligns with disclosure REQUIREMENT 17.1 on REQUIREMENTS 4.1, 4.2 and 4.3.

- c. REQUIREMENT 7.8 – Evaluating and managing the risks associated with tailings facilities is within the scope of SASB Topic Waste & Hazardous Materials Management. The scope of the ongoing Standard Setting Project “Tailing Management in Extractives” also includes evaluation of whether SASB standards should be revised to include the consideration of oversight and assessment of tailings facilities, including the roles of independent tailings review boards and/or technical reviewers. This comment similarly applies to REQUIREMENTS 8.3, 8.4, 11.3 and 11.4.

- d. Regarding REQUIREMENT 17.2 and REQUIREMENT 17.3. SASB supports standardized approaches to disclosure on financially material sustainability matters. With respect to disclosure on tailings facilities management, SASB recommends for the Global Tailings Review to establish disclosure guidelines that meets the needs of the stakeholders for whom the Global Tailings Standard was developed, and which enable stakeholder access to data in a manner that is decision-useful and cost-effective. Such effective disclosure guidelines may reduce the need for additional stakeholder requests for information while providing an effective platform for reporting entities to collect, manage, and report data, and for such data to be made available in a manner that is useful for stakeholders interested in such information. We offer the SASB standards as a disclosure framework that may support the Global Tailings Review's Principle 17.

Thank you for considering these recommendations. If you have any additional questions or comments, please do not hesitate to contact me at: ekaterina.hardin@sasb.org

Sincerely,

Ekaterina Hardin

Ekaterina Hardin
Analyst, Sector Lead – Extractive & Minerals Processing
Sustainability Accounting Standards Board