

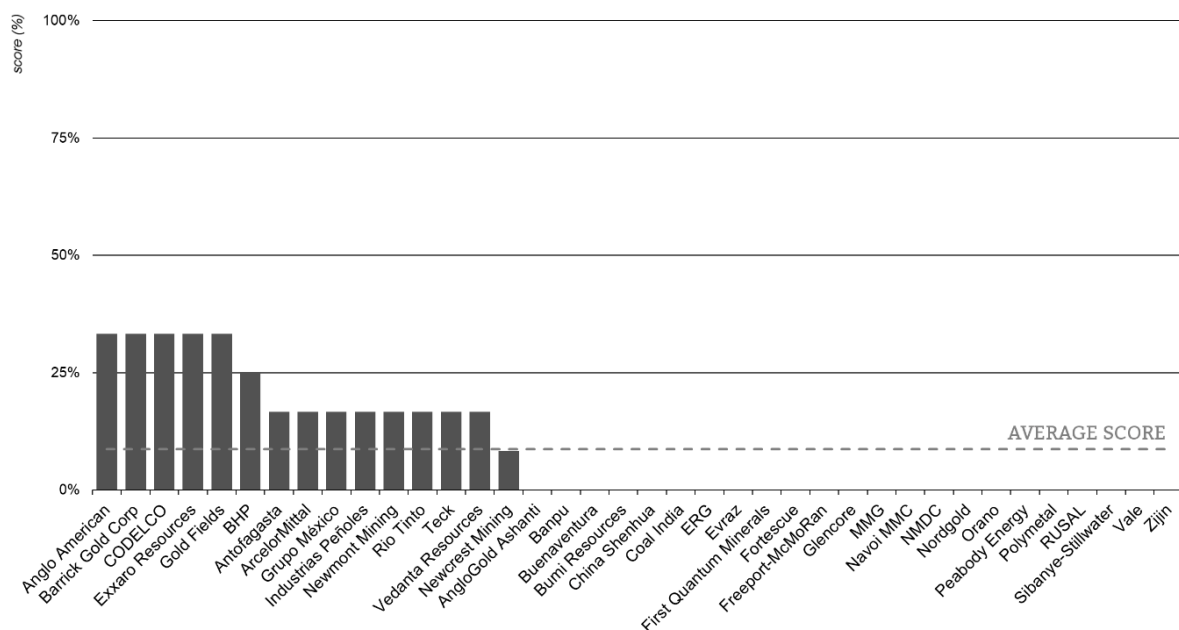
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Going low-carbon mining may satisfy investors but have little measurable impact

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Whilst more and more mining companies announce their commitment to go “carbon-neutral”, electrify their fleets and install renewable energy power sources at their mine sites, their lack of action on fundamental ESG impacts is striking in contrast. The results of the [RMI Report 2020](#) reveal that 63% of assessed large-scale mining companies have not identified and reported on the potential implications of climate-exacerbated impacts of mining on communities, workers and the environment (see Figure 1). Although climate change is already exacerbating mining-related impacts and risks on many issues such as water, tailings, biodiversity, forests, health, and post-closure, most companies cannot provide evidence that they identify and address them in a responsible way.

Figure 1 Identifying and adapting to the implications of climate-exacerbated impacts of mining on communities, workers and the environment
(Results from RMI Report 2020 - F.06.1)



The work of the International Panel on Climate Change leaves very little room for doubt: “Emissions of greenhouse gases due to human activities, the root cause of global warming, continue to increase, year after year.”[1] Faced with this situation, huge efforts at the international and national levels have been made to reduce human-induced greenhouse gases (GHG) emissions. “Renewables” (including solar, wind, geothermal, and hydro power)

are showcased as the energy sources of the future and ambitious production and installation plans are being developed and expanded. Research from the World Bank and others has revealed the scale of the metals and minerals demand that renewables will require if modern societies follow their current pursuit of economic growth.[2]

Because gas emissions can be easily quantified – although setting the boundaries of the Scope 3 realm is still a conundrum in all sectors – and because of the increased demand for ‘energy transition minerals’, mining companies and financiers have put carbon emissions at the heart of their materiality analysis and “climate-smart” action plans. But the concept of materiality has shown its limits: by focusing on risk to business only, it discounts and overlooks salient risk to peoples and the environment.[3]

In the context of the Paris Climate Agreement, and the central role that mined commodities play in everyday life, it is important to consider the direct and indirect impacts, and the externalised costs of mining activities now and for future generations. While primary extraction of certain raw materials remains necessary to support economic development, achievement of the SDGs, and industrial and consumer demand, we need to be honest about how changes in climate exacerbate the existing mining-related risks and impacts on the environment, local communities, and workers. And why responsible mining matters.

The RMI Report 2020 identified some leading practices that show how large-scale mining companies can play a meaningful role in supporting a just transition that respects the environment and improves the lives of peoples. These include inspiring practices such as incorporating traditional land use into closure planning, adapting working environments to new and changing weather patterns, and to a more limited extent reusing a closed site for installing a solar power facility operated by the local town.

But there is a real risk of “greenwashing” or “carbon-washing” from companies that put a majority of their efforts into going carbon-neutral while leaving other urgent ESG impacts unattended. To defuse this risk and deliver a really positive contribution, companies, financiers, and governments must ensure that mining impacts are understood, identified, and prevented, before claiming any victory in the fight against climate change. And time is running out.

[1] IPCC (2019), “Global warming of 1.5°C: An IPCC Special Report”

[2] World Bank Group (2017), “The Growing Role of Minerals and Metals for a Low Carbon Future”

[3] Shift (2017), “UN Guiding Principles Reporting Framework”