Investor Statement on responsible water management as part of a responsible mining policy

Call for endorsement: Support the transition towards responsible water management within the mining sector

GROWING ENVIRONMENTAL AND SOCIAL IMPACT OF THE MINING SECTOR
Miners supply metals that are essential for the energy transition. The technologies needed to transition to a low-carbon economy, such as batteries for electric vehicles and energy storage, will sharply increase the demand for certain metals. This growing dependency on mining activities will increase the pressure on the environment, especially in vulnerable ecosystems, as well as on local communities. We see a great responsibility and opportunity for the mining sector, and regulators and local environmental authorities alike, to strengthen measures that minimize adverse impacts of its operations. Mining operations have a particularly high impact on water availability and quality, possibly affecting other industries, communities and the natural environment. With competition for water continuing to grow, water dependent industries are dealing with increased financial risks and public scrutiny, particularly when operating in water stressed areas.

MINING AND WATER-RELATED ISSUES
The CDP Global Water Report of 2019 found that the percentage of mining firms that are financially affected due to water related risks (33%) is much higher compared to other sectors (11%). Moreover, in recent history we have seen the number of incidents with regards to mine-site level water management, such as tailing dams failures, water scarcity and pollution of water sources, increase1. Insufficient risk management systems of water-related issues may lead to a broad range of adverse impacts, including:

- Water scarcity and water stress potentially cause social conflicts over water use with local communities and disruption to operations;
- Lack of water-related transparency, disclosure and stakeholder/community involvement can undermine a miner’s social license to operate, potentially leading to production loss and financial risks;
- Water contamination and inadequate handling of droughts and floods can lead to human health risks and biodiversity loss, threatening water availability, water purification and the climate buffer functioning of ecosystems;
- Insufficient monitoring can lead to a delay in noticing negative environmental and social impacts, potentially leading to more severe and irreversible consequences.

Given the environmental and social impacts, we are concerned about the reputational, regulatory and financial risks for mining companies and its investors. Although we acknowledge the mining sector’s efforts with regards to water management over the years, we urge mining companies to adapt internationally recognized best practices with regards to

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This statement is the result of the combined efforts of a working group on responsible mining consisting of the following participants: ACTIAM, Aegon Asset Management, NNIP, Robeco, IUCN NL and VBDO. In this working group the participants focus on the following pressing issues: water management, biodiversity and reclamation of mine sites, through a collective engagement trajectory with a range of mining companies.