

Dear U.S. Environmental Protection Agency Administrator and Members of Congress,

For over a decade, investors have expressed concerns about large-scale mining, including the proposed Pebble Mine, in the Bristol Bay region of Alaska. Alaska's Bristol Bay supports the largest and most productive wild salmon fishery on earth, supplying half of the world's commercial supply of wild sockeye salmon, \$1.5 billion in annual revenue, 14,000 jobs, and sustaining Alaska Native communities that have relied on the salmon for millennia.¹

In November 2020, the U.S. Army Corps of Engineers (Corps) rejected the proposed Pebble Mine permit application after determining that its development would "cause unavoidable adverse impacts" to aquatic resources and would result in "significant degradation" to aquatic resources. The Corps concluded that the mine as proposed "cannot be permitted under section 404 of the Clean Water Act," and it would be "contrary to the public interest."²

Now that the Corps has rejected the proposed Pebble Mine, Bristol Bay Native Tribes, commercial fishermen, business leaders, conservation organizations, and others are calling³ on the U.S. Environmental Protection Agency (EPA) and Congress to provide lasting protection for the world's most prolific salmon fishery, with the following two steps:

- **Initiate EPA 404(c) protections:** EPA should use its authority under Section 404(c) of the Clean Water Act to immediately restrict mine waste disposal in wetlands, rivers and streams within the Bristol Bay watershed.
- **Establish a National Fisheries Area:** Congress should enact legislation to establish a National Fisheries Area to provide permanent federal protection against large-scale mining within the Bristol Bay watershed.

As some of us have written previously, investors are increasingly coming to the conclusion that the value of our portfolios is dependent in part on sustainable global economic growth. For that reason, we are aware of the need for natural resource development to support economic growth as well as the development of clean technologies, which hold the promise of more sustainable economic growth. But we are also concerned that returns could be negatively affected by corporate behavior with negative social and environmental impacts. It is in our interest for our portfolio companies to reduce these risks and to recognize the

¹ <https://www.epa.gov/bristolbay/about-bristol-bay>

² <https://www.npr.org/2020/11/25/939010891/army-corps-of-engineers-denies-permit-to-controversial-alaska-gold-mine>

³ <https://www.nrdc.org/experts/taryn-kiekow-heimer/nrdc-proudly-supports-call-protect-bristol-bay>

important role of environmental and social impacts. We therefore believe it is critically important for mining activity to not occur in ecologically and culturally inappropriate areas.

We are concerned that if large-scale mining, such as the Pebble Mine, occurs in the Bristol Bay watershed, that it could cast a cloud over mining projects in general – even responsible and safe ones. This has the potential of increasing mining costs generally and may put into question appropriate mining projects. Such occurrences could be destabilizing to the global mining and fishing industries and consequently not helpful for long-term economic growth.

Investor interest in responsible mining practices has only increased in recent years. For example, “the UN Environment Programme (UNEP) and the Principles for Responsible Investment (PRI), Co-Convenors of the Global Tailings Review, the Church of England Pensions Board and the Council on Ethics of the Swedish National Pension Funds, announced a partnership to create an independent international institute to support the implementation of the Global Industry Standard on Tailings Management.”⁴ This partnership comes after a letter was sent by investors with over \$21 trillion in assets under management to over 350 publicly listed mining companies which asked them to support the Standard.

But we are also acutely aware of the negative economic externalities related to natural resource extraction. Damage to ecosystem goods and services from land and water pollution related to mineral extraction can generate very real, but currently unpriced, economic, social and environmental externalities. Biodiversity, viewed as both an inherently valuable and economically important consideration, is growing in importance to investors. For example, the Task Force on Nature-related Financial Disclosures (TNFD) seeks to make organizations better equipped to make and act on natural capital-related disclosures, through developing frameworks for reporting nature-related financial information.⁵

We also observe that the EPA’s Bristol Bay Watershed Assessment - a peer-reviewed analysis of the potential impacts of large-scale mining in Bristol Bay - attracted the attention of those in the business community that are concerned about the sustainability of our seafood supply. The Food Marketing Institute (FMI) issued a letter in support of the Assessment stating, “Bristol Bay is a one-of-a-kind fishery that is important not only to the ecology of the region but also to fulfilling the goal of long-term sustainable seafood

⁴ <https://www.churchofengland.org/news-and-media/news-and-statements/partnership-support-global-tailings-standard>

⁵ <https://tnfd.info/>

sourcing.”⁶ Not only is the FMI a national trade association that represents 1,500 member companies – food retailers and wholesalers – in the United States and around the world, but also it represents many companies that are in our investment portfolios. In August, 2020, over 200 businesses sent a letter to the EPA calling for 404(c) protections, calling it the “economically responsible thing to do at a time when our country cannot afford to lose more jobs, income or domestic food production.” This illustrates the point that widely diversified investors consider not only how a particular project will impact a specific company or investment, but also how it impacts other aspects of a portfolio.

It is also important to consider that four global mining interests have withdrawn their support from the proposed Pebble Mine in the last decade. Mitsubishi pulled out of the Pebble Project in 2011. Anglo American withdrew from the project in 2013, following a risk/return analysis of the project. In 2015, Rio Tinto announced that it was withdrawing from the proposed Pebble Mine Project, and donating its shares to Alaska charities, and in 2018, First Quantum terminated its agreement to invest in the project.

2020 has also demonstrated to investors the importance of giving full and informed consideration to Indigenous People concerns when they are implicated by corporate activity. Two examples stand out in particular. In Australia, Rio Tinto PLC destroyed two ancient rock shelters in Juukan Gorge which were important to the Puutu Kuntjirra and Pinikura people as they contained 46,000 year old artifacts. Despite the fact that no laws were broken, anger over the actions was so strong that the CEO and other executives were forced out.⁷ Fines and other financial consequences are currently being considered. In the United States, the importance of Native American equality swept through corporate America in the wake of the Black Live Protests with FedEx, Bank of America, Nike, and Pepsi calling on the Washington Football Team to drop its racist name and logo.⁸ And then in December the Cleveland Major League Baseball team announced it would retire its name, “Indians”.⁹

Numerous groups, including Alaska Native tribes, the Bristol Bay Native Corporation, Native village corporations, the United Fishermen of Alaska, and other commercial and sport fishing groups, have urged the EPA to exercise its authority over mine waste disposal in the Bristol Bay watershed under Section 404(c), pointing out that asserting restrictions under Section 404(c) “could further the goals of the Clean Water Act by providing certainty

⁶ <https://www.earthworks.org/media-releases/food-retail-industry-flexes-its-muscle-for-alaskas-bristol-bay-worlds-large/>

⁷ <https://www.theguardian.com/australia-news/2020/may/26/rio-tinto-blasts-46000-year-old-aboriginal-site-to-expand-iron-ore-mine>

⁸ <https://www.nytimes.com/2020/07/02/sports/Redskins-name-FedEx.html>

⁹ <https://www.nytimes.com/2020/12/13/sports/baseball/cleveland-indians-baseball-name-change.html>

and associated time and money savings to industry and the public - including the indigenous peoples of the region to whom the United States has a trust responsibility.”¹⁰

Accordingly, we believe that the two-step proposal to restrict the discharge of dredged or fill material via Section 404(c) of the Clean Water Act, and the congressional establishment of a National Fisheries Area is consistent with the concerns we have articulated above regarding economic growth, responsible mineral development, negative externalities, and the financial importance of ecosystem services.

The undersigned investors support protection against large-scale mining for Alaska’s Bristol Bay, and call on the U.S. EPA and Congress to use their authority to take these recommended steps to afford permanent protection for the Bristol Bay wild salmon fishery.

We thank you for your time and consideration. Please direct any questions you may have to Jonas Kron at 503-894-7551 and jkron@trilliuminvest.com.

¹⁰ <https://republicans-naturalresources.house.gov/uploadedfiles/vanvactortestimony10-10-13.pdf> and <https://www.govinfo.gov/content/pkg/CHRG-113hhr82225/html/CHRG-113hhr82225.htm>