

# Mining sector

## Top 10 Companies in the Mining sector ranked by the RepRisk Rating as of January 2017

Company and Ranking	RepRisk Rating			
	Low Risk AAA – A	Medium Risk BBB – B	High Risk CCC – C	Very High Risk D
1. Newmont Mining Corp	48/32	B		
2. MMC Norilsk Nickel	37/46	B		
3. China Coal Energy	32/52	B		
4. Rio Tinto Group	59/27	B		
5. China Shenhua Energy Co Ltd	37/51	B		
6. Barrick Gold Corp	56/33	B		
7. Glencore PLC	60/34		CCC	
8. BHP Billiton Group	69/34		CC	
9. Coal India Ltd	51/58		CC	
10. Vale SA	68/58			D

The companies in the ranking are among the largest in the sector based on market capitalization, and have been selected as a representative sample for the purposes of this report.

### The RepRisk Rating

The RepRisk Rating is a data-driven, decision-support metric that facilitates corporate benchmarking and ESG integration into a variety of functions, including risk management, compliance, and procurement. The RepRisk Rating is a proprietary risk metric, ranging from AAA to D, that captures and quantifies a company's risk exposure related to environmental, social, and governance (ESG) issues. It combines a company's own ESG risk exposure with the ESG risk exposure of the countries and sectors in which the company has been exposed to risks. Based on RepRisk's strict, rules-based methodology, the Rating is updated daily for all companies in the RepRisk ESG Risk Platform.

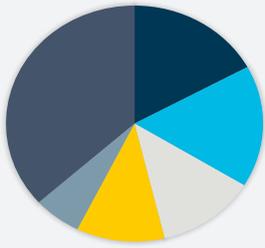
### The RepRisk Director's Brief

The RepRisk Rating is the cornerstone of the RepRisk Director's Brief, a corporate benchmarking report that assesses your company's exposure to environmental, social, and governance (ESG) risks, and benchmarks it with a customizable peer list. The Director's Brief is a data-driven strategy and decision-making tool exclusively designed for board members, executives, investor relations and corporate affairs professionals, as well as CSR and sustainability teams.

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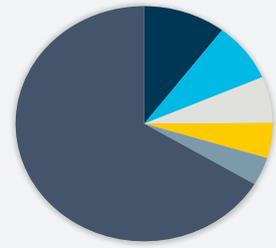
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### Top ESG Issues



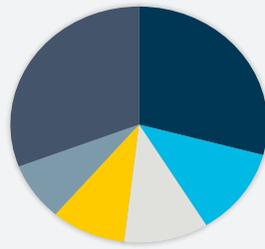
- 1. Impacts on ecosystems and landscapes
- 2. Impacts on communities
- 3. Violation of national legislation
- 4. Local pollution
- 5. Occupational health and safety issues
- 6. Other Issues (23 out of 28)

### Top Countries



- 1. USA
- 2. Brazil
- 3. China
- 4. Australia
- 5. South Africa
- 6. Other countries (176 out of 258)

### Top ESG Topic Tags



- 1. Indigenous people
- 2. Protected areas
- 3. Land grabbing
- 4. Negligence
- 5. Water scarcity
- 6. Other Topic Tags (30 out of 45)

NB. Not all risk incidents are linked to Topic Tags.

The charts display the top five environmental, social, and governance (ESG) Issues, Topic Tags (ESG “hot topics”), and countries related to the Mining sector, based upon the number and severity of the risk incidents in the last two years. For a full list of the ESG Issues and Topic Tags covered by RepRisk, as well as more information on the RepRisk methodology, please visit our website: <https://www.reprisk.com/our-approach>

### The Mining sector has very high ESG risk exposure

At the end of December 2016, Mining was the second most controversial sector in the RepRisk ESG Risk Platform due to repeated reports of fatal incidents, human rights abuse, and child labor, particularly related to mines in Africa, and Asia.

Amnesty International claimed that Zhejiang Huayou Cobalt was sourcing cobalt from mines in the Democratic Republic of Congo where children as young as seven worked 12-hour shifts under “perilous conditions” for USD 1-2 per day. Amnesty linked the cobalt to battery makers supplying such companies as Apple, LG, Daimler, Motorola, Samsung, Sony, and Vodafone. In Uganda, LafargeHolcim was criticized for sourcing minerals from a mine in Harugongo that uses child labor.

In October 2016, a Canadian Supreme Court allowed three refugees to file a lawsuit against Nevsun Resources, which accused the company of complicity in forced labor, and human rights abuse at the Bisha Mine in Eritrea. The workers claimed that they had been forced to work at the mine between 2008 and 2012, while serving in Eritrea’s conscription program.

MiningWatch Canada accused Barrick Gold of tolerating hundreds of killings and violent deaths at its Acacia Mining subsidiary in Tanzania. The Tanzanian Police Force, who allegedly provides security for the company’s North Mara Gold Mine, have reportedly killed 65 people, and injured 270 since 2006.

There were also reports of widespread child labor and debt bondage at mines in India, and automobile makers including General Motors, Vauxhall, BMW, and Volkswagen’s Audi were criticized for sourcing mica from such mines. Procter & Gamble, L’Oreal, and car-paint companies, PPG Industries and Axalta Coating Systems, were also linked to mica sourced from India.

On November 20, 2016, a gas explosion that killed at least 21 people at Jingyou Coal Mine in Heilongjiang Province, China, highlighted the need for tighter safety regulations in the Chinese mining industry. The consequences of the collapse of the tailings dam owned by Samarco Mineracao in Brazil on November 5, 2015, continued to make the headlines throughout 2016, and Vale and BHP, the joint owners of the company, were accused of adopting strategies to avoid responsibility for the tragedy that released millions of tons of toxic mud and killed at least 17 people.

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