

# GLENCORE

Jose JS Cubelo, Research Assistant and Amy Sinclair, Regional Representative for Australia, New Zealand & the Pacific

Business and the Human Rights Resource Centre

Via email: [cubelo@business-humanrights.org](mailto:cubelo@business-humanrights.org); [sinclair@business-humanrights.org](mailto:sinclair@business-humanrights.org)

11 March 2021

Dear Mr Cubelo and Ms Sinclair,

Thank you for providing Glencore with the opportunity to respond to media allegations about adverse impacts of Glencore's McArthur River Mine (MRM). We appreciate the chance to put forward our company perspective on these issues.

The media allegations stem principally from separate media articles posted by the Australian Broadcasting Corporation (ABC) with at least two dating back to 2014 and 2017. These articles refer to the following topics:

- Northern Overburden Emplacement Facility (NOEF)
- Northern Territory Government's approval of continued operations at MRM
- Cultural Heritage & Sacred Sites
- Rehabilitation Security Bond
- Environmental Management and the Independent Monitor.

Each of these issues are addressed in further detail below.

## McArthur River Mine

Glencore's McArthur River Mine (MRM) is located in the remote Roper Gulf region in the Gulf of Carpentaria approximately 970 kilometres southeast of Darwin. Our mine site is approximately 65 kilometres south-west of the township of Borroloola.

Situated on one of the world's largest zinc and lead resources the mine employs 1,000 people (22% of the permanent workforce is Indigenous) and contributed over \$550 million to the Territory economy last year.

MRM includes three key operational domains; the open cut mine, a tailings storage facility and the northern overburden emplacement facility (NOEF) where the waste rock is stored - as well as the Bing Bong Loading Facility.

MRM provides A\$1.3 million every year in funding to the MRM Community Benefits Trust (CBT), which is dedicated to the social and economic development of the Gulf region. Since 2007, the trust has invested almost A\$20.5 million into 109 programmes in areas that include health, education and cultural heritage. It has an independent Board and local community form the majority of its Directors, including a representative from each clan or language group.

## Northern Overburden Emplacement Facility (NOEF)

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We have acknowledged and addressed concerns around the reclassification of the waste rock several years ago. In response, we undertook the following actions:

- During the period where there was combustion on the NOEF, MRM established air-monitoring stations across the region, including in Borroloola. There was no evidence to suggest that air quality readings were at a level that would adversely impact human health.
- We commissioned external environmental consultants and made changes to the waste rock classification and our waste placement methodology.
- Following a process of extensive evaluation and consultation, we submitted an Environmental Impact Statement to the Northern Territory Government for assessment and approval (and was subsequently referred for assessment to the NT Environment Protection Authority). The EIS included the updated classification and emplacement methodology for the waste rock facility.
- This revised classification and placement methodology was approved by the Northern Territory Government and has since been successfully implemented onsite.
- This new methodology has proved effective. We will continue to review, monitor and adapt our management measures to ensure our waste rock management is sustainable over the long-term.
- On a number of occasions over the past 6 years, the Independent Monitor (appointed by NT Government) has noted MRM's continuous progress in relation to management of the NOEF.

#### Northern Territory Government's approval of continued operations at MRM

In 2017, MRM lodged an environmental impact statement (EIS) to the NT Government for the long-term management of waste rock and the ongoing environmental management of the mine site including closure planning. In 2018, the NT Environment Protection Authority released an assessment report, which supported the proposed approach for continuation of mining (subject to conditions), found the McArthur River was healthy, water quality was good, and fish were safe to eat.

In November 2020, the NT Government approved MRM's Mine Management Plan (MMP), which enables mining to continue for the next four years.

A comprehensive stakeholder engagement process was undertaken for the EIS involving around 566 people consulted during 263 separate consultations. The purpose of the consultation was to inform the public of the scope, potential impacts and mitigation measures and gather feedback from communities and stakeholders potentially impacted or benefited by the continued operations project.

Before the COVID-19 pandemic, we also held town meetings in Borroloola, which were open to every member of the community to attend.

A wide and diverse range of stakeholder groups were consulted as part of the EIS process for the mine, including Traditional Owners, Custodians, Gudanji, Yanyuwa, Garrwa, Marra (Language groups or clans with which people associate), Government, Business, Interest Group, Gulf Region Resident, Roper Gulf, Local Organisation and NGOs.

#### Cultural Heritage & Sacred Sites

We operate under stringent conditions set down through Northern Territory and Federal legislation as well as conditions of Aboriginal Areas Protection Authority certificates, designed to protect sacred sites.

MRM complies with the Northern Territory Aboriginal Sacred Sites Act and has internal processes in place to ensure the protection of Sacred Sites.

We understand our obligation to protect Sacred Sites on our mining lease and take this obligation very seriously. MRM consults openly and regularly with Traditional Owners of the land on which we operate and the Custodians of Sacred Sites.

We conduct cultural heritage management training for our workforce so they understand the importance of these sites to local Indigenous people.

We will continue to engage with the First Nation people in the Territory on the environmental management of the mine and welcome local Traditional Owner and Custodian input on how we can continue to improve cultural heritage management in the region.

On 25 November 2020, we held the official opening of our permanent office in Borroloola, which allows local community members to approach us at any time.

#### Rehabilitation Security Bond

MRM's security bond is calculated using Northern Territory Government guidelines. Our current security bond is set at A\$400 million. The purpose of the security is for the payment of costs if action needs to be taken by the government to prevent, minimise or rectify environmental harm caused by mining activities on or off the mining site or for completion of rehabilitation.

The MRM security bond is independently reviewed by a third-party engineering firm, which goes a step further than any other mining operation in the Territory. This figure has been reduced from nearly \$520 million as a result of 4 years of studies through the EIS process, which has resulted in an improved methodology for covering the NOEF.

MRM is not a party to the current legal action between Northern Territory Government and the Environmental Defenders Office and the Northern Territory Environment Centre.

#### Environmental Management and the Independent Monitor

MRM's environmental performance is subject to Northern Territory and Federal government oversight and is reviewed on an ongoing basis by an Independent Monitor. The mine has been subject to a number of Independent Review Boards for the NOEF and tailings storage facility.

We recognise that mining can have an impact on the environment and we take our responsibility to minimise potential impacts seriously. Our approach is set out in detail in our environmental impact statement (EIS) and is reflected in our approved mine management plan (MMP).

An Independent Monitor (IM), appointed by the Government, provides an independent assessment of MRM's environmental performance. The IM's last report noted substantial

improvements at the site in areas that include waste rock, tailings and groundwater management, as well as rehabilitation. Further information can be found on the IM website. The IM is expected to issue its next report covering the period (Apr 2018 to Apr 2020) in 2021.

We are committed to operating safe, responsible and environmentally sustainable mining at all of our operations.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Anna Krutikov', with a long, sweeping horizontal line extending to the right.

Anna Krutikov  
Group Head of Sustainable Development