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Mining & Metals suffer on ethics, Alcoa and Rio Tinto dispute leadership Covalence Mining & Metal Industry Report 2008

Insisting questioning of local impacts and benefits have made the Mining & Metals industry's ethical reputation suffer last year, while Alcoa and Rio Tinto continued progressing, indicates a report published today by Geneva-based research firm Covalence – *Covalence Mining & Metal Industry Report 2008*.

It has been a difficult year for the Mining & Metal industry: from July 2007 to June 2008 it got only the 8th EthicalQuote reputation score out of 10 industries, due to a decrease of positive news count and to an increase of negatives on issues such as CO2 emissions, pollution, community relations and human rights.

The difficulty to show the value of their products in terms of Corporate Social Responsibility can explain why the Mining & Metal industry receives the smallest amount of positives. Metals are everywhere and hard to trace or label; for mining companies it is a challenge to demonstrate the social utility of luxury products such as gold.

A duel of leaders

Within a generally suffering Mining & Metal industry two companies showed a strongly growing ethical reputation: Alcoa and Rio Tinto. These two companies have marked a bunch of positive points on criteria *Labour Standards, Economic Impact, Environmental Impact of Production, Waste Management, Information to Consumers* and *Social Sponsorship*. Rio Tinto benefits from the ethical credit of recently acquired Alcan. Last year 8 out of 16 companies performed negatively, Newmont Mining, Barrick Gold and Anglo American having suffered the most.

Insisting question

Considering major negative issues, several challenge the very presence of Mining & Metals' operations: Direct investment, Pollution, Community, Indigenous people, and Human Rights. The core activity is questioned: how do extractive plants impact the well-being of neighbors and nature?

This should be linked to the ongoing debate about the benefits of extractive plants to local stakeholders. Among positive news registered last year, the following illustrate how Mining & Metal companies demonstrate their impact on countries of operations: Community, Job creation, Health & Safety, Investing in Africa, Water, and Global Health & Poverty alleviation. More is certainly to be done to improve global license to operate.

The truly global scale of action of Mining & Metals brings special risks, as well as special chances: isn't poverty alleviation the first millennium goal? In the future sound CSR policies - including more care to social and economic justice - should help companies develop good relations with host governments, which pay increasing attention to what countries get from foreign investments as democracy is advancing.

More information on Covalence Mining & Metal Industry Report 2008:

- > [Extract: Covalence Mining & Metal Industry Report 2008](#)
- > [Offer & Order form: Covalence Mining & Metal Industry Report 2008](#)
- > [Public version of EthicalQuote](#)

About Covalence

Covalence' s ethical quotation system is a reputation index based on quantifying qualitative data, which are classified according to 45 criteria such as *Labour standards*, *Waste management*, *Product social utility* or *Human rights policy*. It is a barometer of how multinationals are perceived in the ethical field.

The system integrates thousands of documents found among media, enterprise, NGO and other sources, for producing the EthicalQuote curves. These curves measure the historical evolution of the reputation of companies regarding ethical issues. They are created through the cumulative addition of positive news (documents coded as "ethical offers", which are weighed as +1, curve ascends) and negative news ("ethical demands" weighed as -1, curve descends). The Reported Performance measure is given by cumulating positive news only.

This tool received the Cantonal Sustainable Development Prize (Geneva) in 2004 and prompted Covalence among the finalists of the Social Entrepreneur of the Year 2005 award organised by the Schwab Foundation. Covalence research is also distributed by Reuters, Thomson Financial and Bloomberg.

Covalence is closely monitoring 10 sectors including 200 companies that are classified as the largest market capitalizations in the Dow Jones World Index. Covalence is a limited company that was founded in Geneva in 2001 by six persons coming from social sciences and finance.

Online information: Covalence company and methodology

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