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RepRisk Releases Its New Report on the Most Controversial Mining Companies of 2011

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RepRisk has released its new report on the 10 Most Controversial Mining Companies of 2011, benchmarked against the United Nations Global Compact (UNGC) Principles and other international standards. This report highlights the consequences of environmental, social and governance risks on the companies' reputations, access to capital and licenses to operate.

In 2011 Mining giants Alpha Natural Resources, Newmont Mining, and Glencore International made the top ranks for issues related to mountaintop removal mining and impacts on indigenous people and protected areas.

Alpha Natural Resources, top ranked on the list, saw a dramatic increase in its RepRisk Index (RRI), a quantitative risk measure that captures criticism and qualifies a company's exposure to controversial issues, after its purchase of Massey Energy. Massey had been targeted over its well-documented history of alleged safety issues, fraud, and environmental concerns relating to its mountaintop removal mining practices. The company paid a fine of USD 210 million to settle ongoing criminal and civil cases related to an accident at its Upper Big Branch mine in 2010, which resulted in 29 fatalities.

Newmont Mining and Glencore International have both been heavily criticized by major media outlets, including the Wall Street Journal and the BBC, for their activities in Africa and South America, particularly regarding their impacts on local communities. According to a Reuters Special Report, public and media interest in Glencore's operations, which has traditionally been shrouded in secrecy, has heightened since its Initial Public Offering in early 2011. A study commissioned by Swiss NGOs Brot fuer Alle and Fastenopfer has also reported that in the Democratic Republic of Congo, Glencore subsidiary Katanga Mining uses freelance miners, including children, to work in precarious conditions in its Tilwezembe Mine. For Newmont and Minas Buenaventura, the opposition expressed by local communities against the Conga Mine in Peru over its potential impacts on water sources led to the project's suspension in late November.

RepRisk CEO Dr. Philipp Aeby stated, "There has been a significant impact on companies' reputations from negative stakeholder sentiment captured throughout 2011. This is made obvious by the fines paid by the industry, increasing regulation, and the risk of loss of license to operate faced by many of the firms mentioned.

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