

UN Global Compact

Communication on Progress 2012

Content

Content	2
Chairman's statement of support for the UN Global Compact	3
The Ten Principles	4
UN Global Compact Communication on Progress 2012 and GC Advanced COP Self-Assessment	5
Implementing the Ten Principles into Strategies & Operations	6
Robust Human Rights Management Policies & Procedures	8
Robust Labour Management Policies & Procedures	14
Robust Environmental Management Policies & Procedures	19
Robust Anti-Corruption Management Policies & Procedures	24
Taking Action in Support of Broader UN Goals and Issues	28
Corporate Sustainability Governance and Leadership	31

UN Global Compact



Chairman's statement of support for the UN Global Compact



Rio Tinto has been a signatory to the United Nations Global Compact since its establishment in 2000. Rio Tinto remains committed to its ten principles and to promoting the Global Compact wherever we operate. As Chairman of Rio Tinto, I am proud to confirm our continued support for this important initiative.

The UN Global Compact's ten principles are addressed in Rio Tinto's policies, standards and guidance and are embedded in our overall approach to sustainable development. Our continued commitment to those principles is demonstrated in several initiatives which we undertook in 2012. We launched our revised Human rights policy to reflect the UN Guiding Principles on Business and Human Rights, and created new training programmes to support this policy. Working with the Danish Institute for Human Rights, we published *Why human rights matter*, a guide for integrating human rights into our communities and social performance work. Our new Business integrity (anti-corruption) standard also commenced in 2012 to assist our businesses and employees in countering bribery and corruption.

Here you will find our 2012 Communication on Progress and can learn more about how we are implementing all ten principles across Rio Tinto.

A handwritten signature in blue ink, which appears to read 'Jan du Plessis'.

Jan du Plessis, Chairman Rio Tinto plc

The Ten Principles

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

- The principles enjoy universal consensus and are derived from:
- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

UN Global Compact Communication on Progress 2012 and GC Advanced COP Self-Assessment

All information in the Communication on Progress 2012 is compiled from our [Annual Report 2012](#), [Sustainable Development Report 2012](#) and [Rio Tinto public website](#). Below is our self-assessment on how we have met the GC Advanced Level criteria and links to our implementation of the best practices, followed by our report on the ten principles. We consider a criterion is met when we communicated its implementation or planned implementation.

Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units

Best practices	Our Implementation
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives	‘Corporate governance’ in Annual Report 2012
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	‘Sustainable development overview’ in Annual Report 2012 ‘Goals and targets for sustainability’ in Sustainable Development (SD) Report 2012 ‘CEO’s statement regarding sustainability and business strategy’ in SD Report 2012
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	‘Governance’ in Annual Report 2012
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	‘Sustainable development’ in Annual Report 2012 ‘Strategy’ in SD Report 2012
Ensure that different corporate functions coordinate closely to maximise performance and avoid unintended negative impacts	‘Governance’ in Annual Report 2012

Criterion 2: The COP describes value chain implementation

Best practices	Our Implementation
Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	‘Principal risks and uncertainties’ in Annual Report 2012
Communicate policies and expectations to suppliers and other relevant business partners	Procurement principles

Implement monitoring and assurance mechanisms [‘Performance’ in SD Report 2012](#)
(eg audits/screenings) for compliance within the
company’s sphere of influence

Undertake awareness-raising, training and other [Case Study: Working with local suppliers in](#)
types of capacity building with suppliers and other [Mongolia](#)
business partners

[Procurement principles](#)

Robust Human Rights Management Policies & Procedures

Criterion 3: The COP describes robust *commitments, strategies or policies* in the area of human rights

Best practices	Our implementation
Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates (eg the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)	<p><i>The way we work</i></p> <p>Human rights policy</p> <p>‘Human Rights’ in SD Report 2012</p> <p>Our Commitment: Human Rights</p> <p><i>Why human rights matter</i></p>
Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)	Human rights policy
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	<p>Procurement principles</p> <p>Communities standard</p>
Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)	Human rights policy

Criterion 4: The COP describes effective *management systems* to integrate the human rights principles

Best practices	Our implementation
Process to ensure that internationally recognised human rights are respected	<p>‘Human Rights’ in SD Report 2012</p> <p>Our Commitment: Human Rights</p> <p>Why human rights matter</p>

Ongoing due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	‘Human Rights’ in SD Report 2012 Our Commitment: Human Rights
	<i>Why human rights matter</i>
	Case study: ‘Resettlement and Compensation’, SD Report 2012
Internal awareness-raising and training on human rights for management and employees	‘Human Rights’ in SD Report 2012
	Our Commitment: Human Rights
	<i>Why Human Rights Matter?</i>
	Case study: ‘Putting the Voluntary Principles into practice’, SD Report 2012
Operational-level grievance mechanisms for those potentially impacted by the company’s activities (BRE 4 + ARE 4)	Community complaints, disputes and grievance guidance
	<i>Why human rights matter</i>
	<i>Why gender matters</i>
	<i>Why cultural heritage matters</i>
Allocation of responsibilities and accountability for addressing human rights impacts	<i>Why human rights matter</i>
	<i>Why gender matters</i>
	<i>Why cultural heritage matters</i>
Internal decision-making, budget and oversight for effective responses to human rights impacts	<i>Why human rights matter</i>
	<i>Why gender matters</i>
	<i>Why cultural heritage matters</i>
Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)	Community complaints, disputes and grievance guidance
	Communities standard

Process and programmes in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)

Why human rights matter

Why gender matters

Why cultural heritage matters

Case study: Resettlement program in Pilbara

Case study: Investing in community at Loznica, Serbia

Criterion 5: The COP describes effective *monitoring and evaluation mechanisms* of human rights integration

Best practices

Our implementation

System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)

Human Rights in SD Report 2012

Why human rights matter

Why gender matters

Why cultural heritage matters

Monitoring drawn from internal and external feedback, including affected stakeholders

Why human rights matter

Why gender matters

Why cultural heritage matters

Case study: Resettlement in Guinea

Leadership review of monitoring and improvement results

Why human rights matter

Why gender matters

Why cultural heritage matters

Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)

Why human rights matter

Why gender matters

Why cultural heritage matters

Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)

[*Why human rights matter*](#)

[*Why gender matters*](#)

[*Why cultural heritage matters*](#)

Outcomes of integration of the human rights principles

[‘Human Rights’ in SD Report 2012](#)

[Our Commitment: Human Rights](#)

[*Why human rights matter*](#)

[*Why gender matters*](#)

[*Why cultural heritage matters*](#)

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Rio Tinto supports and respects human rights, consistent with the [United Nations Universal Declaration of Human Rights](#). It is our aim to make sure we are not complicit in human rights abuses.

[*The way we work*](#), our global code of business conduct, supported by our [Human rights policy](#), provides the framework for our approach. In 2012 responding to both internal and external developments, we revised our human rights policy. We are adapting our human rights approach to the due diligence process outlined in the [UN Guiding Principles on Business and Human Rights](#). We’re building on our existing risk management processes, internal controls and other tools that address communities work; health, safety and environment approaches; procurement; security; and human resources, among others.

Our human rights approach is supported by a training package. This includes both general and more targeted programmes, delivered online and in person where appropriate. During 2011-2012, approximately 2,400 people completed online human rights training with the programme refreshed recently. Targeted training to date has included projects and operations in Guinea, Mongolia and Madagascar.

We also provide human rights training to security personnel and have conducted security and human rights assessments at all critical risk sites. In 2012 working with the [Centre for Social Responsibility in Mining](#) and the [Danish Institute for Human Rights](#), we published [*Why human rights matter*](#), a guide for integrating human rights into Communities and Social Performance work.

We participate in the [Voluntary Principles on Security and Human Rights \(VPSHR\)](#) and are a founding member of and support the work of the [International Council on Mining and Metals \(ICMM\)](#) in developing human rights guidance for the mining industry. We are also a

member of the [UN Global Compact's Human Rights Working Group](#) and [Business for Social Responsibility's Human Rights Working Group](#). We support the Danish Institute for Human Rights as it develops its Human Rights and Business Country Portal, a free website helping business assess human rights country contexts.

Where human rights are threatened, we seek to have international standards upheld and to avoid any involvement in human rights abuses, including through misuse of our equipment and facilities.

Our human rights policy states that through appropriate contractual arrangements and [Procurement principles](#), we expect that our consultants, agents, contractors and suppliers will be made aware of and comply with *The way we work*, our code of conduct in all their dealings with or on behalf of the Group. Rio Tinto's Procurement principles set out our expectation that suppliers maintain policies that respect basic human rights and dignity, without distinction on any basis, including the right to life, liberty, and security of person, freedom from slavery and cruelty, and equal protection under relevant laws and constitutions. Suppliers are expected to have a process to assure compliance.

We make every effort to ensure that the standards of conduct in *The way we work*, including those relating to human rights, are respected at all times when we work with joint venture partners and non-controlled companies.

Rio Tinto has developed tools to help sites ensure that security personnel and providers have access to effective human rights training. We provide training to relevant public and private security forces when a gap is identified between their current training and the VPSHR, on which we base our security and human rights training. In 2012, we also launched a Security and Human Rights Toolkit to promote effective security and human rights risk assessment and compliance with the VPSHR.

We respect the land connection of Indigenous communities and seek specific, mutually-beneficial agreements with affected communities in the development and performance of our operations. We strive to achieve the free, prior and informed consent of Indigenous communities as defined in the 2012 International Finance Corporation Performance Standard 7 and supporting guidance, as well as in our own policies. We respect the law of the countries in which we operate, hence we seek consent as also defined in relevant jurisdictions and ensure agreement-making processes are consistent with such definitions.

We integrate human rights into our risk analysis and impact assessment processes. And if we believe the risks justify it, we carry out standalone human rights risk analyses and impact assessments - and draw on external expertise.

Speak-OUT is our confidential, free telephone line for our people to bring their concerns to senior management's attention, and may be used for human rights issues. Incidents relating to human rights can also be logged through our incident reporting system. Under our [Communities standard](#), all businesses must have a community complaints, disputes and grievance procedure.

We also have an internal human rights working group comprising people from across the business, who help identify and work through challenges, and build networks and awareness.

We are also doing more to communicate our approach to human rights externally, through engagement with our key stakeholders.

To help support human rights, we engage with our local communities to seek to understand the social, cultural, environmental and economic implications of our activities, so that we can optimise benefits and reduce negative impacts. This contribution to development, together with our community engagement programmes, can further contribute to the realisation of human rights.

Robust Labour Management Policies & Procedures

Criterion 6: The COP describes robust *commitments, strategies or policies* in the area of labour

Best practices	Our implementation
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<i>The way we work</i>
Reflection on the relevance of the labour principles for the company	<i>The way we work</i> Employment policy ‘Diversity and inclusion’ in Annual Report 2012 ‘People’ in SD Report 2012
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organisation of workers (international, sectoral, national).	<i>The way we work</i>
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	Procurement principles <i>The way we work</i>
Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	Employment policy Diversity and inclusion policy Case study: ‘The Rio Tinto College: a new chapter in learning and development’ in SD Report 2012

Criterion 7: The COP describes effective *management systems* to integrate the labour principles

Best practices	Our implementation
Risk and impact assessments in the area of labour	‘Principal risks and uncertainties’ in Annual Report 2012
Allocation of responsibilities and accountability within the organisation	‘Diversity and inclusion’ in Annual Report 2012 Employment policy
Internal awareness-raising and training on the labour principles for management and employees	‘Diversity and inclusion’ in Annual Report 2012
Active engagement with suppliers to address labour-related challenges	‘Suppliers’ in SD Report 2012 Why gender matters
Grievance mechanisms, communication channels and other procedures (eg whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organisation of workers	‘Corporate governance’ in Annual Report 2012 ‘People’ in SD Report 2012

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

Best practices	Our implementation
System to track and measure performance based on standardised performance metrics	‘Diversity and inclusion’ in Annual Report 2012
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	‘Suppliers’ in SD Report 2012 Why gender matters
Process to positively engage with the suppliers to address the challenges (ie, partnership approach instead of corrective approach) through schemes to improve workplace practices	‘Suppliers’ in SD Report 2012 Why gender matters

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

We recognise everyone’s right to choose whether or not they wish to join a union consistent with local labour laws. We recognise the right of all employees to choose to belong to a union and seek to bargain collectively.

Rio Tinto does not use or employ forced, bonded or child labour. We require all recruitment to be consistent with the human rights policy, equal opportunity requirements, relevant employee protection legislation and appropriate pre-employment screening. Our business codes of practice are designed to ensure that all staff reflect in their daily work the high ethical standards set by the company.

We are a global company and, wherever we operate and across every part of our business, we strive to create an inclusive culture in which difference is recognised and valued. By bringing together men and women from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives, we believe that we are best able to develop the best solutions to challenges and deliver sustainable value for Rio Tinto and its stakeholders.

We use the following to drive action and build awareness about diversity and inclusion:

- Governance models
- Policies, practices and targets
- Leadership and cultural competence
- Stakeholder relationships
- Education and communication

Our goal is to have a workforce that is representative of the countries and communities in which we operate. Currently, our focus is to improve the representation of women and of people from nationalities which are under-represented in our workforce and continue to build an inclusive culture in which all talent can thrive.

Some of the activities and initiatives relating to diversity that we undertook during the year are:

- The development of executive-sponsored diversity and inclusion plans within the product groups and geographies in alignment with business goals and the Group Diversity and Inclusion strategy aimed at increasing the diversity in our workforce at all levels and building a more inclusive culture.
- The design of a diversity and inclusion scorecard to accompany the above plans with metrics in: 1) who we are (demographics); 2) how we behave (performance and development); and 3) what we stand for (values), to be applied across Rio Tinto to help baseline, trend and track progress as well as to address areas where we may be underperforming.
- The active involvement with Women in Mining groups, professional women's associations and other targeted recruiting efforts to raise awareness about Rio Tinto and to increase the attraction, development and retention of talented women wherever we operate.
- The publication of a resource and training manual to accompany our *Why gender matters* guide to further integrate gender, diversity and human rights considerations into the management and planning of all Communities and Social Performance (CSP) work across all sections of our business.
- The launch of easily-accessible language learning applications with access to over 23 languages to encourage employees to improve existing foreign language skills as well as to learn new languages.
- Expansion of our diversity champions network group to include additional geographies and operations and the establishment of several new business unit diversity councils and committees across Rio Tinto increasing leadership engagement, cross-company collaboration, and the sharing and replication of best practices.
- The expansion of training programmes aimed at countering unconscious bias-targeting senior leaders, hiring managers and recruiters to help minimise the impact of bias in recruitment and development practices as well as to improve cross-cultural interactions and relationship building needed to globalise our business.
- The continuation of a three-year commitment by the chairman to mentoring high-potential female board candidates through the FTSE100 Cross-company Mentoring Programme.

Our Group diversity targets for 2015 are:

- Women to represent 20 per cent of our senior management
- Women to represent 40 per cent of our graduate intake
- 15 per cent of our graduate intake to be nationals from regions where we are developing new businesses

In 2012, women represented 15 per cent of senior management, 18 per cent of our total workforce and 30 per cent of our graduate intake. Our graduate intake in 2012 included 24 per cent of nationals from regions where we are developing new business.

Throughout 2012, we remained the largest private sector employer of Indigenous Australians.

Robust Environmental Management Policies & Procedures

Criterion 9: The COP describes robust *commitments, strategies or policies* in the area of environmental stewardship

Best practices	Our implementation
Reference to relevant international conventions and other international instruments (eg Rio Declaration on Environment and Development)	‘Environment’ in SD Report 2012
	‘Environment’ in Annual Report 2012
Reflection on the relevance of environmental stewardship for the company	‘Environment’ in SD Report 2012
	‘Environment’ in Annual Report 2012
Written company policy on environmental stewardship	Environment policy
	Biodiversity strategy
	Greenhouse gas emission
	Air quality control
	Land use stewardship
	Mineral waste management
	Non-mineral waste management
	Water use and quality control
	Rio Tinto Climate Change Position Statement
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Procurement principles
	Rio Tinto Climate Change Position Statement
Specific commitments and goals for specified years	‘Environment’ in SD Report 2012
	‘Environment’ in Annual Report 2012
	Rio Tinto Climate Change Position Statement

Criterion 10: The COP describes effective *management systems* to integrate the environmental principles

Best practices	Our implementation
Environmental risk and impact assessments	‘Environment’ in SD Report 2012 Case study: Community Environmental Monitoring Programme
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	‘Environment’ in SD Report 2012 Case Study: TFT Environmental improvement projects, Quebec Case study: Rio Tinto and Biodiversity: Working towards net positive impact
Allocation of responsibilities and accountability within the organisation	Case study: Team to set up energy and climate initiatives ‘Corporate governance’ in Annual Report 2012
Internal awareness-raising and training on environmental stewardship for management and employees	Environment policy
Grievance mechanisms, communication channels and other procedures (eg whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	‘Corporate governance’ in Annual Report 2012

Criterion 11: The COP describes effective *monitoring and evaluation mechanisms* for environmental stewardship

Best practices	Our implementation
System to track and measure performance based on standardised performance metrics	Rio Tinto Climate Change Position Statement
Leadership review of monitoring and improvement results	‘Corporate governance’ in Annual report
Process to deal with incidents	‘Corporate governance’ in Annual report Case study: Restoring the environment in Superior, Arizona

Audits or other steps to monitor and improve the [‘Environment’ in SD Report 2012](#) environmental performance of companies in the supply chain

Outcomes of integration of the environmental principles [‘Environment’ in SD Report 2012](#)
[Performance data](#)

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Respect for the environment is central to our approach to sustainable development. Wherever possible we prevent – or otherwise minimise, mitigate and remediate – harmful effects of our activities on the environment. We have developed a number of practical programmes for environmental management, which include input from our local communities, as well as from experts in these fields.

Air

We understand that our operations release gases and particulates into the atmosphere that may have an effect on people and the environment. These emissions are the result of burning fossil fuels, moving ores and wastes, and smelting metals. In line with our air quality strategy and our [air quality control standard](#), we constantly review our emissions, look for ways to improve our performance and apply controls to minimise related health or environmental impacts. We also monitor particulate gas and vapour exposure in the workplace, in line with our occupational health standards.

Biodiversity

Our activities impact biodiversity, making our mining and refining projects increasingly high profile and sensitive for communities, governments, investors and others. In 2004, we launched our biodiversity strategy which includes our goal of achieving a net positive impact (NPI) in the regions where we operate. For Rio Tinto, achieving an NPI means ensuring that our presence in a region ultimately has positive effects on biodiversity. To achieve this, we have developed a set of leading practice tool and methodologies for use at key operations. We have also formed partnerships with many leading and regional conversation NGOs, which provide strategic and operational support to Rio Tinto and our operations.

Ecosystems services

We are a major user and owner of land, biodiversity and water resources. This can present significant risks to our operations when coupled with the changing ecosystem service legislative framework. We are designing and implementing a number of ecosystem service

valuation projects to investigate the business case and methodologies around designing and implementing ecosystem service offsets, and investments in non-operational, land-based assets. Through our collaboration with the [International Union for Conservation of Nature \(IUCN\)](#), we have undertaken a preliminary assessment of the biodiversity value of ground water in the Pilbara region of Western Australia. We have also published, in conjunction with the IUCN, the results of an ecosystem service valuation of forests surrounding our operation in Madagascar.

Climate change

Our climate change programme focuses on reducing the energy intensity of our operations as well as the carbon intensity of our energy. This includes the use of renewable energy and reduction in emissions intensity from chemical processes. It also addresses emissions from other sources including landholdings. Setting targets, and regularly reporting against them, is a priority and helps us to manage our performance. Reduction of our greenhouse gas (GHG) intensity index is one of seven [Group key performance indicators](#). We are targeting a reduction in the emissions intensity of our products by 6 per cent by the end of 2013, and by a further 4 per cent by 2015, compared to 2008. In 2012, our total GHG emissions were 41.0 million tonnes of carbon dioxide equivalent, a decrease of 2.2 million tonnes from 2011, as a result of decreased production of aluminium.

Energy

Rio Tinto has an industry-leading knowledge and understanding of fossil fuel, nuclear and renewable generation technologies. We have built a portfolio of renewable energy demonstration projects, and carry out research into renewable energy technologies. At an early stage in our project development process, we conduct Energy Innovation Workshops. We also provide guidance and expertise to our businesses as they undertake energy supply option analysis. In 2012, our operations used 502 petajoules of energy. The 14 petajoule decrease from 2011 was a result of decreased production across the aluminium and copper commodities. However, through our coal and uranium sales, we supplied 4,372 petajoules of world energy demand. Our energy supply was over eight times our own energy use in 2012.

Land

Rio Tinto has developed an internal [Land Use Stewardship standard](#) for use across our operations. The intent of this standard is to develop management plans, programmes and procedures to ensure sustainable stewardship of the land that we own, lease or manage. In 2012, we completed a review of our approach to rehabilitation and broader land management at the Group level. The priority for 2013 and beyond will be to engage new projects and existing operations, to improve their performance and develop an integrated approach to land management. In regards to mine site rehabilitation, by the end of 2012, 24 per cent of our disturbed land (excluding land disturbed for hydroelectricity dams) had been rehabilitated. Improving mine site rehabilitation performance will be a priority within Rio Tinto's Land Use Stewardship programme going forward.

Waste

By effectively characterising, planning and managing waste, we limit the negative environmental impact of our waste and reduce our operating costs and risks. Our waste

strategy allows us to improve our understanding of the true cost of managing our wastes. This in turn helps when planning for wastes have traditionally been underestimated. Effective waste management programmes do not only lead to improved environmental performance, but also help us protect biodiversity and water quality. Four of Rio Tinto's nine environment standards are devoted to managing our various waste streams.

Water

We use water at every stage of our business. We also use water to generate hydroelectric power. In 2005, we developed a comprehensive framework for managing water, and for improving our performance across the social, environmental and economic aspects of water management. We have developed a number of programmes to help improve our performance, including a Group water target that aims to reduce freshwater use per tonne of product by six per cent by 2013 from a 2008 baseline; a water standard that is audited and sets the minimum expectations for each operation when managing water; a water risk review; and long-term water strategies and water management plans for businesses with significant water risk.

Robust Anti-Corruption Management Policies & Procedures

Criterion 12: The COP describes robust *commitments, strategies or policies* in the area of anti-corruption

Best practices	Our implementation
Publicly stated formal policy of zero-tolerance of corruption (D1)	The way we work Business integrity (anti-corruption) standard Antibribery due diligence standards Antitrust standards and guidance notes
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)	The way we work Business integrity (anti-corruption) standard Antibribery due diligence standards Antitrust standards and guidance notes ‘Integrity and compliance’ in SD Report 2012
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	‘Integrity and compliance’ in SD Report 2012
Detailed policies for high-risk areas of corruption (D4)	Business integrity (anti-corruption) standard
Policy on anti-corruption regarding business partners (D5)	Business integrity (anti-corruption) standard

Criterion 13: The COP describes effective *management systems* to integrate the anti-corruption principle

Best practices	Our implementation
Support by the organisation’s leadership for anti-corruption (B4)	‘Integrity and compliance’ in SD Report 2012

Carrying out risk assessment of potential areas of corruption	‘Governance’ in Annual Report 2012 ‘Integrity and compliance’ in SD Report 2012
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	‘Integrity and compliance’ in SD Report 2012
Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	‘Governance’ in Annual Report 2012 ‘Internal controls’ in SD Report 2012
Actions taken to encourage business partners to implement anti-corruption commitments (D6)	Business integrity (anti-corruption) standard
Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)	‘Governance’ in Annual Report 2012 ‘Integrity and compliance’ in SD Report 2012
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	‘Governance’ in Annual Report 2012 ‘Integrity and compliance’ in SD Report 2012

Criterion 14: The COP describes effective *monitoring and evaluation mechanisms* for the integration of anti-corruption

Best practices	Our implementation
Leadership review of monitoring and improvement results (D12)	‘Integrity and compliance’ in SD Report 2012 ‘Internal controls’ in SD Report 2012
Process to deal with incidents (D13)	‘Governance’ in Annual Report 2012 ‘Integrity and compliance’ in SD Report 2012
Use of independent external assurance of anti-corruption programmes	‘Assurance’ in Annual Report 2012

Outcomes of integration of the anti-corruption principle

[‘Integrity and compliance’ in SD Report 2012](#)

[‘Internal controls’ in SD Report 2012](#)

[Taxes paid in 2012](#)

[Case study: Tax transparency recognition](#)

Internal accounting and auditing procedures related to anticorruption

[‘Internal controls’ in SD Report 2012](#)

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

Bribery and corruption in all forms are prohibited at Rio Tinto. This is clearly stated in our Code of Conduct *The way we work* and in our [Business integrity \(anti-corruption\) standard](#) which commenced on 1 January 2012. The standard contains mandatory requirements that must be integrated in all of our businesses and assists our businesses and employees in countering bribery and corruption. Payments must only be made for legitimate business purposes and at a rate reflecting market value. They must be recorded correctly and transparently in our books. Facilitation payments are prohibited.

Rio Tinto businesses must consider and address bribery and corruption risks as part of their on-going risk management exercises. This includes performing appropriate and proportionate due diligence when engaging certain third party companies entering into partnerships or acquiring companies. All high level risks must be brought to the attention of senior management.

In 2012, Rio Tinto was recognised in a report by [Transparency International](#), which analysed the transparency of corporate reporting on a range of anti-corruption measures. In support of International Anti-corruption Day on 9 December 2012, the chief executive and all Group executives endorsed their personal commitment to integrity in a message to all employees, reaffirming a pledge to zero tolerance of bribery and corruption.

During 2012 we launched new [compliance training](#) modules covering *The way we work* and Integrity and compliance.

We work with external organisations in furthering our commitment to transparency. Since its launch in 2002, we have supported the [Extractive Industries Transparency Initiative](#) (EITI), the aim of which is to strengthen governance by improving transparency and accountability in the extractive sector.

We continue to participate with [Transparency International](#), a global civil society organisation, in the fight against bribery and corruption. We were one of the original corporate members of the steering committee which drafted the [Business Principles for Countering Bribery](#) and continue to participate in the revision of those principles. Rio Tinto remains a strong supporter of the [World Economic Forum’s Partnering against Corruption Initiative](#).

Speak-OUT, the Group's confidential and independently operated whistle-blowing programme offers an avenue where concerns can be reported anonymously if they so choose, subject to local law. During 2012, we introduced enhanced features of the programme, including improved web submission, a new case management tool to better manage cases, and a reporting tool to allow for improved analysis of case statistics and reporting.

Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to *UN goals and issues*

Best practices	Our implementation
Align core business strategy with one or more relevant UN goals/issues	UN Global Compact in SD Report 2012 Millennium Development Goals in SD Report 2012 Community and social performance target guidance Human rights policy
Develop relevant products and services or design business models that contribute to UN goals/issues	UN Global Compact in SD Report 2012 Millennium Development Goals in SD Report 2012 Community and social performance target guidance Human rights policy
Adopt and modify operating procedures to maximise contribution to UN goals/issues	UN Global Compact in SD Report 2012 Millennium Development Goals in SD Report 2012 Community and social performance target guidance Human rights policy

Criterion 16: The COP describes strategic social investments and philanthropy

Best practices	Our implementation
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	Community contributions and activities guidance Case study: Building community capacity in Namibia Case study: Investing in the community at Loznica, Serbia Case study: Growing opportunity for Mozambique's farmers
Coordinate efforts with other organizations and initiatives to amplify and not negate or unnecessarily duplicate the efforts of other contributors	'Engagement' in SD Report 2012 Case study: Growing opportunity for Mozambique's farmers
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	'Community' in SD Report 2012 Case study: Rio Tinto Alcan Weipa and indigenous employment

Criterion 17: The COP describes advocacy and public policy engagement

Best practices	Our implementation
Publicly advocate the importance of action in relation to one or more UN goals/issues	UN Global Compact in SD Report 2012 Millennium Development Goals in SD Report 2012 Community and social performance target guidance Human rights policy
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	'Human Rights' in SD Report 2012 'Integrity and compliance' in SD Report 2012

Criterion 18: The COP describes partnerships and collective action

Best practices

Our implementation

Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy

[‘Engagement’ in SD Report 2012](#)
[Community contributions and activities guidance](#)
[‘Human Rights’ in SD Report 2012](#)
[‘Diversity and inclusion’ in Annual Report 2012](#)
[‘Environment’ in SD Report 2012](#)
[‘Integrity and compliance’ in SD Report 2012](#)

Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company’s positive impact on its value chain

[‘Human Rights’ in SD Report 2012](#)
[‘Diversity and inclusion’ in Annual Report 2012](#)
[‘Environment’ in SD Report 2012](#)
[‘Integrity and compliance’ in SD Report 2012](#)
[‘Sustainable development’ in Annual Report 2012](#)

Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

Best practices	Our implementation
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	‘Chief executive’s message’ in SD Report 2012
CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards	‘Chief executive’s message’ in SD Report 2012
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	‘Chief executive’s message’ in SD Report 2012 ‘Our sustainable development strategy’ in SD Report 2012
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	‘Chief executive’s message’ in SD Report 2012

Criterion 20: The COP describes Board adoption and oversight

Best practices	Our implementation
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	‘Governance’ in Annual Report 2012
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	‘Governance’ in Annual Report 2012
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	‘Governance’ in Annual Report 2012 UN Global Compact in SD Report 2012

Criterion 21: The COP describes stakeholder engagement

Best practices

Our implementation

Publicly recognise responsibility for the company's impacts on internal and external stakeholders

'Engagement' in SD Report 2012

Define sustainability strategies, goals and policies in consultation with key stakeholders

'Engagement' in SD Report 2012

Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance

'Engagement' in SD Report 2012

Community consultation and engagement guidance

Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'

'Engagement' in SD Report 2012

Community complaints, disputes and grievance guidance
