

## UN Global Compact

Communication on Progress 2014

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# UN Global Compact



## Chairman's statement of support for the UN Global Compact



Rio Tinto is a founding member of the UN Global Compact, becoming a signatory in 2000. More than a decade on, Rio Tinto maintains its commitment to the Ten Principles and to promoting the Global Compact wherever we operate. As Chairman of Rio Tinto, I am very proud that in 2014, we continued to fulfil our obligations to this important initiative.

Rio Tinto's policies, standards and guidance fully reflect the Global Compact's principles on human rights, labour, the environment and anti-corruption. The Ten Principles are integrated into our company's values and guide our overall approach to sustainable development.

While the ten principles have remained the same, Rio Tinto's approach is constantly evolving to ensure we understand stakeholder expectations around the Ten Principles and that we continue to improve our performance against these principles. In 2014, we reviewed our biodiversity strategy, taking into account our many years of implementation experience and the views of our stakeholders. The review highlighted key principles and recommendations that will assist in delivering better biodiversity outcomes.

Strong governance structures and a commitment to integrity provide the foundations on which we do business at Rio Tinto. In 2014, we updated our Business integrity standard, which outlines our strict and longstanding stance against bribery and corruption.

Here you will find our 2014 Communication on Progress and read more about our activities to support all Ten Principles of the UN Global Compact at 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

**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 2014 and GC Advanced COP Self-Assessment

All information in the Communication on Progress 2014 is compiled from our [Annual Report 2014](#), [Sustainable Development Report 2014](#) 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 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

<b>Best practices</b>	<b>Our Implementation</b>
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	<a href="#">Sustainable Development (SD) Report 2014</a> <a href="#">‘Corporate governance’ in Annual Report 2014</a> <a href="#">The way we work</a>
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	<a href="#">‘Sustainable Development’ in Annual Report 2014</a> <a href="#">‘Strategy’ in SD Report 2014</a>
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	<a href="#">‘Sustainable Development’ in Annual Report 2014</a> <a href="#">‘Strategy’ in SD Report 2014</a>
Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts	<a href="#">‘Corporate governance’ in Annual Report 2014</a>

**Criterion 2:** The COP describes value chain implementation

<b>Best practices</b>	<b>Our Implementation</b>
Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	<a href="#">‘Principal risks and uncertainties’ in Annual Report 2014</a>
Communicate policies and expectations to suppliers and other relevant business partners	<a href="#">Procurement principles</a> <a href="#">‘Human Rights’ in SD Report 2014</a>
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	<a href="#">‘Corporate governance’ in Annual Report 2014</a> <a href="#">‘Performance’ in SD Report 2014</a>

Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners

[‘Suppliers’ in SD Report 2014](#)

[Procurement principles](#)

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# 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 recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)	<p><a href="#"><i>The way we work</i></a></p> <p><a href="#">Human rights policy</a></p> <p><a href="#">‘Human Rights’ in SD Report 2014</a></p> <p><a href="#">Our Commitment: Human Rights</a></p> <p><a href="#"><i>Why human rights matter</i></a></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)	<p><a href="#">Human rights policy</a></p> <p><a href="#">‘Human Rights’ in SD Report 2014</a></p>
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	<p><a href="#">Procurement principles</a></p> <p><a href="#">Human rights policy</a></p> <p><a href="#">‘Human Rights’ in SD Report 2014</a></p> <p><a href="#">Rio Tinto Procurement</a></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)	<p><a href="#"><i>The way we work</i></a></p> <p><a href="#">Human rights policy</a></p> <p><a href="#">‘Human Rights’ in SD Report 2014</a></p> <p><a href="#">‘Communities’ in SD Report 2014</a></p>

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

Best practices	Our implementation
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Process to ensure that internationally recognized human rights are respected

[‘Human Rights’ in SD Report 2014](#)

[‘Communities’ in SD Report 2014](#)

[Why human rights matter](#)

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On-going 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 2014](#)

[Why human rights matter](#)

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Internal awareness-raising and training on human rights for management and employees

[‘Human Rights’ in SD Report 2014](#)

[‘Communities’ in SD Report 2014](#)

[Why human rights matter](#)

[Case study: Delivering the Stakeholder Engagement Academy at QMM](#)

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Operational-level grievance mechanisms for those potentially impacted by the company’s activities (BRE 4 +ARE 4)

[‘Human Rights’ in SD Report 2014](#)

[‘Communities’ in SD Report 2014](#)

[Our approach to communities and social performance](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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Allocation of responsibilities and accountability for addressing human rights impacts

[‘Human Rights’ in SD Report 2014](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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Internal decision-making, budget and oversight for effective responses to human rights impacts

[‘Human Rights’ in SD Report 2014](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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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)	<a href="#">‘Communities’ in SD Report 2014</a> <a href="#">Our approach to communities and social performance</a>  <a href="#">Why human rights matter</a>
Process and programs 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)	<a href="#">‘Human Rights’ in SD Report 2014</a>  <a href="#">Why human rights matter</a>  <a href="#">Why gender matters</a>  <a href="#">Why cultural heritage matters</a>  <a href="#">Case study: Delivering the Stakeholder Engagement Academy at QMM</a>  <a href="#">Case study: Promoting best practice in security and human rights</a>  <a href="#">‘Helping business manage human rights risks’</a>

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

<b>Best practices</b>	<b>Our implementation</b>
System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)	<a href="#">‘Human Rights’ in SD Report 2014</a> <a href="#">‘At the frontline: security and human rights’</a>  <a href="#">Why human rights matter</a>
Monitoring drawn from internal and external feedback, including affected stakeholders	<a href="#">Why human rights matter</a>  <a href="#">Our approach to communities and social performance</a>
Leadership review of monitoring and improvement results	<a href="#">Why human rights matter</a>
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	<a href="#">‘Human Rights’ in SD Report 2014</a> <a href="#">Our approach to communities and social performance</a>  <a href="#">Why human rights matter</a>

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

[‘Human Rights’ in SD Report 2014](#)

[Why human rights matter](#)

[Our approach to communities and social performance](#)

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Outcomes of integration of the human rights principles

[‘Human Rights’ in SD Report 2014](#)

[Why human rights matter](#)

[Case study: Ten year anniversary for landmark participation agreement](#)

[Case study: Building a sustainable supply chain in Mongolia](#)

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**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 respects human rights wherever it operates. We support human rights consistent with the [United Nations Universal Declaration of Human Rights](#).

Our global code of business conduct *The way we work*, our [Human rights policy](#) and voluntary commitments provide the framework for our approach which is consistent with the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#). In implementing our policies, we are subject to local laws of the many countries in which we operate. We build on compliance with local laws and where our policy and procedures are more stringent, we operate to these standards.

We provide employees an on-line human rights training programme to explain the importance of respecting human rights, the impact we might have, internal resources that are available and mechanisms to help manage or mitigate any such impacts. Approximately 1,500 employees, a large proportion of which work in our Procurement function, have completed this training. We also provide site-specific training and in 2014 we developed a training package that sites can adapt to address their priority human rights issues.

We embed human rights considerations into existing corporate processes including our risk analysis, impact assessment, and our complaints, disputes and grievance processes. In high-risk locations we may conduct standalone human rights assessments, incorporating the results into existing management processes. In 2014, we completed a standalone human rights impact assessment at one site and integrated human rights considerations into environmental and social impact assessments and social risk analysis at other sites.

From January 2014 our online training on the Voluntary Principles on Security and Human Rights (VPSHR) became mandatory for all security personnel at high-risk sites, and is strongly recommended for all other sites. We strive to provide training to relevant public and private security forces when a gap is identified between their current training and the VPSHR. In 2014, we conducted the in-person Rio Tinto VPSHR training for security guards at four sites in Africa. Both private and public security providers were present, including officers who were responsible for training and development for their organisations. Our 3-day VPSHR course and 5-day VPSHR trainers' course were also translated into Mongolian for delivery in early 2015. We also formed a partnership with academia and non-governmental organisations to conduct a research project on preventing conflict in the mining sector.

From September 2014 we started developing a Use of Force, Weapon and Firearm Framework (UOFWF) to compliment the effectiveness of our existing strict internal controls. Guidelines and tools for the UOFWF by private and public security personnel were developed and incorporated into our guidance note on *Implementing security and human rights principles* to help Rio Tinto's sites and projects practically mitigate the risks associated with use of force, weapons and firearms, and to further fulfil our commitment to the VPSHR.

We work to avoid our involvement in adverse human rights impacts through our business relationships, and we seek to positively influence human rights through these relationships. *The way we work* applies to all suppliers and contractors in their dealings with or on behalf of Rio Tinto. These requirements are reinforced in other key internal procedures, including the Rio Tinto Procurement principles. These principles reiterate that we oppose and prohibit forced, bonded or child labour. They highlight that suppliers should maintain policies that respect basic human rights, and specify that suppliers should have a process to assure human rights compliance. Prequalification checks and ongoing monitoring help us to ensure that suppliers understand and follow these principles, adherence to which is embedded in commercial arrangements. In 2014 Rio Tinto Procurement also made our online human rights training compulsory for its employees, regardless of where they operate.

We actively participated in national and international business and human rights dialogues in 2014 including several global, thematic and regional events. These included those convened by the UN Working Group on Business and Human Rights. We also engaged with stakeholders such as governments, civil society and investors on our human rights approach including through publications, briefings and responses to general and specific queries.

# 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	<a href="#">The way we work</a> <a href="#">Human rights policy</a>
Reflection on the relevance of the labour principles for the company	<a href="#">‘People’ in SD Report 2014</a> <a href="#">The way we work</a> <a href="#">Employment policy</a> <a href="#">Diversity and inclusion policy</a> <a href="#">Human rights policy</a>
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 organization of the workers (international, sectoral, national).	<a href="#">‘People’ in SD Report 2014</a> <a href="#">The way we work</a> <a href="#">Employment policy</a> <a href="#">Diversity and inclusion policy</a> <a href="#">Human rights policy</a>
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<a href="#">‘Human Rights’ in SD Report 2014</a> <a href="#">‘Supplier’ in SD Report 2014</a> <a href="#">‘People’ in SD Report 2014</a> <a href="#">Procurement principles</a> <a href="#">The way we work</a>

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](#)

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

<b>Best practices</b>	<b>Our implementation</b>
Risk and impact assessments in the area of labour	<a href="#">‘Principal risks and uncertainties’ in Annual Report 2014</a>
Allocation of responsibilities and accountability within the organization	<a href="#">Diversity and inclusion policy</a>
	<a href="#">Employment policy</a>
	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Internal awareness-raising and training on the labour principles for management and employees	<a href="#">‘Human Rights’ in SD Report 2014</a>
Active engagement with suppliers to address labour-related challenges	<a href="#">‘People’ in SD Report 2014</a>
	<a href="#">‘Suppliers’ in SD Report 2014</a>
	<a href="#">Case study: Building a sustainable supply chain in Mongolia</a>
Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
	<a href="#">‘People’ in SD Report 2014</a>

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

<b>Best practices</b>	<b>Our implementation</b>
System to track and measure performance based on standardized performance metrics	<a href="#">‘People’ in SD Report 2014</a>
	<a href="#">Diversity and inclusion policy</a>

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 2014](#)

[‘People’ in SD Report 2014](#)

[Why gender matters](#)

[Case study: Building a sustainable supply chain in Mongolia](#)

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Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices

[‘Suppliers’ in SD Report 2014](#)

[Why gender matters](#)

[Case study: Building a sustainable supply chain in Mongolia](#)

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Outcomes of integration of the Labour principles

[‘People’ in SD Report 2014](#)

[Why gender matters](#)

[Case study: Pinnacle award for Aboriginal leadership development](#)

[Case study: Continuous learning attracts talents and awards](#)

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**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 the right of all employees to choose to belong to a union and seek to bargain collectively.

We seek to hire, motivate and retain people who demonstrate our values and are passionate about making a difference to our business and the communities in which we live and work. We employ people on the basis of job requirements and do not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics, religion, disability or any other status. We do not employ forced, bonded or child labour. These principles are also reiterated in *The way we work* and our [Procurement principles](#), apply to all suppliers and contractors working with Rio Tinto or on its behalf.

Rio Tinto actively favours employing local candidates where laws and job requirements allow. Where local capacity does not meet our employment standards we implement programmes to develop skill levels and work readiness in partnership with communities

and government. We help Indigenous people engage in the local economy through various strategies, including direct employment. Throughout 2014, we remained one of the largest private sector employers of Indigenous Australians, with over 1,650 full time Indigenous employees who represented approximately 7.5 per cent of our permanent Australian workforce. Our local employment commitments are often managed through directly-negotiated agreements with Traditional Owners.

Our employees' diversity of skills, ideas and experience helps to ensure that we can find innovative responses to the challenges our business faces. We encourage collaboration within and across our businesses, cultures and countries to build cohesiveness and raise performance. We are focused on increasing the representation of women, and achieving a better balance of gender in the short term, and of ethnicity and nationality in the medium term. We are also focused on developing a more diverse leadership team, specifically to ensure that local nationals in emerging regions have the capability and experience to lead our operations.

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.
- Fifteen per cent of our graduate intake to be nationals from regions where we are developing new businesses.

In 2014, women represented 31.8 per cent of our graduate intake, 21.4 per cent of the board, 15.5 per cent of our senior management, and 18.7 per cent of our total workforce. In 2014, 17.8 per cent of our graduate intake comprised nationals from regions where we are developing new businesses. We recognise we have further work to do to deliver on our diversity targets for 2015 and this is reflected in our work plan. We will continue to develop our graduate talent to build on the completion of a successful three-year emerging regions graduate intake programme from 2011 to 2014.



## 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 (e.g. Rio Declaration on Environment and Development)	<a href="#">‘Environment’ in SD Report 2014</a> <a href="#">‘Sustainable Development’ in Annual Report 2014</a>
Reflection on the relevance of environmental stewardship for the company	<a href="#">‘Environment’ in SD Report 2014</a> <a href="#">‘Sustainable Development’ in Annual Report 2014</a>
Written company policy on environmental stewardship	<a href="#">Environment policy</a>
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<a href="#">Procurement principles</a> <a href="#">Rio Tinto Climate Change Position Statement</a>
Specific commitments and goals for specified years	<a href="#">‘Environment’ in SD Report 2014</a> <a href="#">‘Sustainable Development’ in Annual Report 2014</a> <a href="#">Rio Tinto Climate Change Position Statement</a> <a href="#">Rio Tinto Biodiversity Strategy</a> <a href="#">Case study: Record year for land rehabilitation in the Pilbara</a>

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

Best practices	Our implementation
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Environmental risk and impact assessments	<a href="#">‘Sustainable Development’ in Annual Report 2014</a> <a href="#">‘Environment’ in SD Report 2014</a>
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<a href="#">‘Environment’ in SD Report 2014</a>
Allocation of responsibilities and accountability within the organisation	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Internal awareness-raising and training on environmental stewardship for management and employees	<a href="#">‘Sustainable Development’ in Annual Report 2014</a> <a href="#">Environment policy</a>
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<a href="#">‘Sustainable Development’ in Annual Report 2014</a>

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

<b>Best practices</b>	<b>Our implementation</b>
System to track and measure performance based on standardized performance metrics	<a href="#">‘Environment’ in SD Report 2014</a> <a href="#">Rio Tinto Climate Change Position Statement</a> <a href="#">‘Performance data’ in SD Report 2014</a>
Leadership review of monitoring and improvement results	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Process to deal with incidents	<a href="#">‘Sustainable Development’ in Annual Report 2014</a>

Audits or other steps to monitor and improve the environmental performance of companies in the supply chain

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Outcomes of integration of the environmental principles

[‘Environment’ in SD Report 2014](#)

[‘Performance data’ in SD Report 2014](#)

[Case study: RBM wins air quality awards](#)

[Case study: The Mount Pleasant offset project](#)

[Case study: Understanding climate impacts on local communities](#)

[Case study: Remote mine using the power of the sun](#)

[Case study: Addressing legacy waste rock piles at Bingham Canyon](#)

[Case study: Protecting waterways with the Zero Spill Initiative](#)

[Case study: Water management to protect valuable ecosystems](#)

[Case study: Groundbreaking clean-up](#)

[Case study: Fly high – reserve boosts bird life in Great Salt Lake](#)

[Case study: Energy efficiency savings at Kennecott](#)

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**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.

Environmental stewardship is central to the way we operate and our contribution to sustainable development. Wherever possible we prevent – or otherwise minimise, mitigate and remediate – harmful effects of our activities may have. We have developed a range of practical programmes for environmental management, and work on these in partnership with our stakeholders – such as local communities and conservation groups. This

collaborative approach helps us increase our understanding of the risks we face – both challenges and opportunities – and how best to manage them.

## **Air**

Our operations release gases and particulates into the atmosphere that may have an effect on people and the environment. These result from burning fossil fuels, moving ores and wastes, and smelting metals.

To avoid or minimise related health or environmental impacts, we constantly review our emissions, look for ways to improve our performance and apply appropriate controls. Our work is guided by our strict air quality control standards. We also monitor particulate gas and vapour exposure in the workplace, in line with our occupational health standards.

There are four major air emissions from our operations: oxides of sulphur (SO<sub>x</sub>), oxides of nitrogen (NO<sub>x</sub>), fluoride and particulate emissions. We also report mercury air emissions at Group level.

In 2014, our operations emitted 118.2 thousand tonnes of SO<sub>x</sub> gases, a decrease of 9.8 thousand tonnes compared to 2013. Total NO<sub>x</sub> emissions were 75.0 thousand tonnes, a decrease of 3.5 thousand tonnes from 2013. Fluoride emissions were 3.2 thousand tonnes, an increase of 87 tonnes from 2013 due to degraded emission controls (collection issues) at one of our aluminium smelters. Particulates less than ten micrometres in diameter (PM<sub>10</sub>) are released from our businesses. In 2014, we released 103.3 thousand tonnes of PM<sub>10</sub>, a decrease of 9.7 thousand tonnes from 2013. Total reported mercury air emissions from our metals processing and fossil fuel power generation was 326kg. This represents a 20 per cent reduction from 2013 levels (407kg).

## **Biodiversity**

Rio Tinto has long recognised the importance of sound biodiversity management and has had a biodiversity strategy since 2004. The strategy requires that all sites understand their biodiversity risk and impacts. Those sites deemed to pose high or very high risk to biodiversity must develop an action plan to help understand and minimise impacts, and, where appropriate, implement actions to achieve a net positive impact (NPI).

In 2014, we undertook a review of our biodiversity strategy. The review took into account detailed feedback from our site practitioners who are involved in implementing biodiversity programmes. We also sought the views of our corporate biodiversity partners – Fauna & Flora International, the International Union for Conservation of Nature and BirdLife International – and analysed regulatory trends. The strategy review highlighted a number of key principles and recommendations that will assist in delivering better biodiversity outcomes. These recommendations will be used to update our guidance documentation, which will be rolled out in 2015.

## **Climate change**

Reduction of our greenhouse gas (GHG) intensity index is one of our Group key performance indicators. In 2008 we set a target of ten per cent reduction in total greenhouse gas emissions intensity, to be achieved by 2015. We have reduced our total

GHG emissions intensity by 18 per cent compared with 2008, currently beating our 2015 target. A new target will be set in 2015 that extends the existing external target to 2020. This will focus on the challenge to increase energy efficiency.

Between 2008 and 2014, Rio Tinto's GHG emissions intensity had reduced 18 per cent, largely due to the 2009 divestment of the Ningxia aluminium smelter in China, closure of the Lynemouth aluminium smelter in 2012, divestment of the Seabee smelter in 2013 and improved measurement methodology for coal seam gas at our Australian coal mines. In 2014, our total GHG emissions were 33.9 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>-e), a decrease of 3.5 million tonnes from 2013.

To assess how carbon policy and regulation will affect our businesses and our products in the future, we closely monitor national and international climate and energy policy developments and we advocate constructively for policies that are environmentally effective, economically efficient and equitable. We also assess the potential risks to the resilience of our operations from changing climate events.

## **Energy**

Energy underpins the mining, refining, and transport activities of our operations and allows us to operate in some otherwise inhospitable places. A reliable and cost-effective energy supply is essential, and being efficient in our use of energy helps us to achieve this while reducing our impact on the environment.

To understand our current and future energy use and emissions, we have developed a solid technical and economic understanding of current and future power generation technologies, including trials of new technologies. We continue to look for opportunities where technologies, cost and environmental benefit combine to develop commercial-scale renewable investments.

In 2014, our operations used 450 petajoules of energy. The majority of the 34 petajoule decrease from 2013 was a result of operational changes at some of our Aluminium operations, but there were also contributions from operational efficiency gains at our Copper, Diamonds & Minerals and Energy operations. By comparison we supplied 2,703 petajoules to our customers and our energy supply was therefore over six times our own energy use.

In 2014, 48 per cent (217 petajoules) of the energy we used was electricity. Of that total, 124 petajoules was purchased from commercial networks and 113 petajoules was generated at our hydroelectric, natural gas, coal, diesel and fuel oil power stations. We exported 21 petajoules of the electricity we generated to remote communities near our operations or to commercial networks where our generation exceeded our needs.

Seventy-five per cent of our total electricity use was sourced from hydro, nuclear and other renewable power sources. We own significant hydropower generation facilities in Canada and Scotland.

## **Land**

Rio Tinto has developed a land disturbance control and rehabilitation standard for use across our organisation, to avoid then minimise impacts to land, biodiversity and ecosystem services. It calls for rehabilitation of mining areas to the extent practicable,

consistent with planned final land use, and for the return of all other disturbed lands to beneficial post-operational use. The standard requires that rehabilitation begins as early as possible in the lifecycle of an operation.

By the end of 2014, 26 per cent of our disturbed land (excluding land disturbed for hydroelectricity dams) had been rehabilitated. External stakeholders play an important role in determining the end-use of the land prior to rehabilitation. In most cases (83 per cent), land we disturbed is returned to native vegetation.

As a member of the [International Council on Mining and Metals \(ICMM\)](#), we also help to develop industry policies and practices on protected areas and long-term access to land.

## **Waste**

During our mining and processing operations, we generate both mineral and non-mineral waste. We put controls in place to limit the negative environmental impact of our waste, and reduce our operating costs and risks. These controls require us to characterise our waste, forecast how waste will behave over the long term, carry out monitoring, and - where waste is managed on site - close our waste facilities responsibly. We routinely audit the procedures and practices of third-party waste management providers to verify our wastes are properly managed. One of our main focuses is chemically reactive waste, which requires careful planning and management to avoid creating long-term liabilities and minimise existing liabilities.

## **Water**

Our approach to water management is based on the identification, assessment and control of site-level water-related risks. We strive to work with neighbouring communities to manage our impacts, and look for opportunities to provide clean drinking water in countries where water is unsuitable or insufficient to meet community needs.

At Rio Tinto, we use water from different sources and of different qualities. We focus on ways to minimise the amount of water we remove from the environment, reuse it whenever we can, and return it to the environment, meeting regulatory limits.

Successful water management depends on good working relationships with those directly or indirectly affected by our businesses. We have worked with international organisations committed to sustainable water management, the ICMM and governments to support the development of water policy.

In 2014, our freshwater withdrawal increased by seven per cent to 555 billion litres. This is largely a result of having to manage water that is produced when we mine at depths below the water table. Some of this water is supplied to third parties for municipal and agricultural use. However, this metric does not accurately reflect the improvement in water efficiency at many sites.

Because water challenges and risks vary by region and site, we have redefined our Group water target to better reflect local and regional conditions. The target requires, by 2018, all managed operations with material water risk to have reviewed and improved their management of these material water risks, and have achieved their approved local water performance targets. In 2014, 66 per cent of managed operations were on track to meet their approved local water performance targets. Sites that have not met their target trajectory in 2014 are being supported to ensure they take action to get back on track to meeting their 2018 targets.

# 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)	<p><a href="#">‘Integrity and compliance’ in SD Report 2014</a></p> <p><a href="#">The way we work</a></p> <p><a href="#">Business integrity standard</a></p> <p><a href="#">Case study: Working the right way, with integrity</a></p>
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)	<p><a href="#">The way we work</a></p> <p><a href="#">Business integrity standard</a></p> <p><a href="#">‘Integrity and compliance’ in SD Report 2014</a></p>
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	<p><a href="#">‘Integrity and compliance’ in SD Report 2014</a></p>
Detailed policies for high-risk areas of corruption (D4)	<p><a href="#">Business integrity standard</a></p>
Policy on anti-corruption regarding business partners (D5)	<p><a href="#">Business integrity standard</a></p>

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

Best practices	Our implementation
Support by the organization’s leadership for anti-corruption (B4)	<p><a href="#">‘Integrity and compliance’ in SD Report 2014</a></p>
Carrying out risk assessment of potential areas of corruption	<p><a href="#">‘Internal controls’ in SD Report 2014</a></p> <p><a href="#">‘Integrity and compliance’ in SD Report 2014</a></p>

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 2014](#)  
[Case study: Training that sticks](#)

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Internal checks and balances to ensure consistency with the anti-corruption commitment (B6) [‘Internal controls’ in SD Report 2014](#)

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Actions taken to encourage business partners to implement anti-corruption commitments (D6) [The way we work](#)  
[Business integrity standard](#)  
[Procurement principles](#)

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Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7) [‘Corporate governance’ in Annual Report 2014](#)  
[‘Integrity and compliance’ in SD Report 2014](#)

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Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9) [‘Integrity and compliance’ in SD Report 2014](#)  
[‘Internal controls’ in SD Report 2014](#)

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**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 2014](#)  
[‘Internal controls’ in SD Report 2014](#)

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Process to deal with incidents (D13) [‘Corporate governance’ in Annual Report 2014](#)  
[‘Integrity and compliance’ in SD Report 2014](#)

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Use of independent external assurance of anti-corruption programmes [‘Sustainable Development’ in Annual Report 2014](#)  
[‘Assurance’ in SD Report 2014](#)

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Outcomes of integration of the anti-corruption principle [‘Integrity and compliance’ in SD Report 2014](#)  
[‘Internal controls’ in SD Report 2014](#)  
[Taxes paid 2014](#)

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

Strong governance structures and our commitment to integrity are the foundation on which we do business at Rio Tinto. They help to ensure we operate ethically as responsible corporate citizens wherever we are in the world, and keep us focused on doing business the right way.

A key component of our Integrity and Compliance programme focuses on our employees being able to identify potential and actual risk areas and being equipped to acting with integrity and behaving honestly and responsibly no matter where we operate. The programme underscores our commitment to conducting business with integrity and its underlying framework is supported by *The way we work*, our code of conduct, as well as our **global standards, procedures and guidance** covering key topics including bribery, corruption and third party due diligence.

A refreshed *The way we work* has been launched June 2015 to ensure that it addresses the risks the business faces on a daily basis but also so it remains accessible and relevant to our organisation, our employees and parties we work with. The launch has included new training and discussion materials to ensure managers can create the discussion needed to embed the principles contained in our code of conduct.

Staying aware of issues, and preventing misconduct before it occurs, is key for Rio Tinto and its employees. In 2014, we introduced new role specific training, a methodology that maps training requirements to an individual's role which ensures an individual obtains the most relevant training. Through our training and guidelines, employees are made aware of their responsibility to work with integrity at all times. This further cements our commitment to, and understanding of, our code of conduct, company policies and local laws. In the event of any inconsistency between our policies and the local laws where we operate, we will comply with the higher standard.

At Rio Tinto, we have a strict and longstanding stance against bribery and corruption, which is prohibited in all forms. This is clearly stated in *The way we work* and in our *Business integrity standard*, which was revised with effect from 1 October 2014. Our Integrity and Compliance programme reflects the size and geographical spread of the Group as well as the diverse activities of our businesses, including making efforts to address concerns within our smaller localised communities. Whilst we are aware there is increased regulatory and legislative activity in this area, our approach is driven by our corporate values, particularly our commitment to undertaking business with integrity. Any Rio Tinto employee not complying with anti-bribery and anti-corruption laws may face disciplinary action, up to and including termination.

We work with external organisations in furthering our commitment to transparency. Since its launch in 2002, we have actively supported the Extractive Industries Transparency Initiative (EITI), which aims to strengthen governance by improving transparency and accountability in the extractive sector. We communicate views to governments and others

on matters affecting our business interests. By furthering public dialogue, we contribute to the development of sound legislation and regulation that is relevant and appropriate to our business interests.

Our employees are encouraged to firstly raise their concerns directly with their managers or through human resources. In addition, *Speak-OUT*, the Group’s whistleblowing programme is always available. It is a confidential and independently operated service available to all employees as well as suppliers and contractors and offers an avenue for reporting significant concerns about the business or behaviour of individuals, anonymously if desired, subject to local law. This could include suspicion of violations of business integrity issues in general. Our case management tool for *Speak-OUT* provides for a single, secure repository for all case management and related investigations, including complete data analysis and reporting capabilities to allow trends to be identified and maximising the lessons learnt from incidents.

## 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	<p><a href="#">‘Group strategy’ in Annual Report 2014</a></p> <p><a href="#">‘Strategy’ in SD Report 2014</a></p> <p><a href="#">UN Global Compact in SD Report 2014</a></p> <p><a href="#">Millennium Development Goals in SD Report 2014</a></p> <p><a href="#">Our approach to communities and social performance</a></p> <p><a href="#">The way we work</a></p> <p><a href="#">Human rights policy</a></p>

Develop relevant products and services or design business models that contribute to UN goals/issues

[Business model](#) in Annual Report 2014  
[UN Global Compact in SD Report 2014](#)

[Millennium Development Goals in SD Report 2014](#)

[\*The way we work\*](#)

[Our approach to communities and social performance](#)

[Human rights policy](#)

[Case study: Catalyst for growth](#)

[Case study: Local community enterprise wins dune rehabilitation contract](#)

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Adopt and modify operating procedures to maximize contribution to UN goals/issues

[Millennium Development Goals in SD Report 2014](#)

[\*The way we work\*](#)

[Our approach to communities and social performance](#)

[Human rights policy](#)

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**Criterion 16:** The COP describes strategic social investments and philanthropy

<b>Best practices</b>	<b>Our implementation</b>
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	<a href="#">‘Communities’ in SD Report 2014</a> <a href="#">‘Economic contributions’ in SD Report 2014</a> <a href="#">Case study: Committed to developing local businesses</a> <a href="#">Case study: Responding to the challenge of Ebola</a> <a href="#">Case study: reliable logistics for a remote region</a>
Coordinate efforts with other organizations and initiatives to amplify and not negate or unnecessarily duplicate the efforts of other contributors	<a href="#">‘How we engage’ in SD Report 2014</a> <a href="#">‘Human rights’ in SD Report 2014</a> <a href="#">Case study: Promoting best practice in security and human rights</a>
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	<a href="#">‘Communities’ in SD Report 2014</a> <a href="#">Case study: Ten-year anniversary for landmark participation agreement</a>

**Criterion 17:** The COP describes advocacy and public policy engagement

<b>Best practices</b>	<b>Our implementation</b>
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Publicly advocate the importance of action in relation to one or more UN goals/issues

[UN Global Compact in SD Report 2014](#)

[‘Sustainable Development’ in Annual Report 2014](#)

[‘Chief executive’s message’ in SD Report 2014](#)

[‘Human rights’ in SD Report 2014](#)

[‘Millennium Development Goals’ in SD Report 2014](#)

[The way we work](#)

[Human rights policy](#)

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Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues

[‘Integrity and compliance’ in SD Report 2014](#)

[‘Human rights’ in SD Report 2014](#)

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**Criterion 18:** The COP describes partnerships and collective action

**Best practices**

**Our implementation**

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

[‘Communities’ in SD Report 2014](#)

[‘How we engage’ in SD Report 2014](#)

[‘Environment’ in SD Report 2014](#)

[‘Human Rights’ in SD Report 2014](#)

[‘Integrity and compliance’ in SD Report 2014](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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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

['Communities' in SD Report 2014](#)

['How we engage' in SD Report 2014](#)

['Environment' in SD Report 2014](#)

['Human Rights' in SD Report 2014](#)

['Integrity and compliance' in SD Report 2014](#)

[Case study: Promoting transparency across our sector](#)

[\*Why human rights matter\*](#)

[\*Why gender matters\*](#)

[\*Why cultural heritage matters\*](#)

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# 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	<a href="#">‘Chief executive’s message’ in SD Report 2014</a> <a href="#">‘UN Global Compact’ in SD Report 2014</a>
CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards	<a href="#">‘Chief executive’s message’ in SD Report 2014</a>
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<a href="#">‘Chief executive’s message’ in SD Report 2014</a> <a href="#">‘Strategy’ in SD Report 2014</a>
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<a href="#">‘Chief executive’s message’ in SD Report 2014</a>

**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	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	<a href="#">‘Corporate governance’ in Annual Report 2014</a>
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	<a href="#">‘Corporate governance’ in Annual Report 2014</a>

**Criterion 21:** The COP describes stakeholder engagement

**Best practices**

**Our implementation**

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

'How we engage' in SD Report 2014

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

'How we engage' in SD Report 2014

'Community' in SD Report 2014

*Why human rights matter*

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

'How we engage' in SD Report 2014

'Community' in SD Report 2014

Our approach to communities and social performance

*Why human rights matter*

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

'How we engage' in SD Report 2014

'Human rights' in SD Report 2014

'Integrity and compliance' in SD Report 2014

Our approach to communities and social performance

*Why human rights matter*

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## Annex: Business & Peace

### The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas

Best practices	Our implementation
Information on how policies, strategies and operating practices have been adapted to the specific high-risk/conflict context based on due diligence	<a href="#">'Internal controls' in SD Report 2014</a> <a href="#">'Sustainable Development' in Annual Report 2014</a> <a href="#">'Human rights' in SD Report 2014</a>
Adherence to best practices even where national law sets a lower standard, including in the management of security services	<a href="#">'Sustainable Development' in Annual Report 2014</a> <a href="#">'Human rights' in SD Report 2014</a> <a href="#">'Integrity and compliance' in SD Report 2014</a>
Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices	<a href="#">'Human rights' in SD Report 2014</a> <a href="#">Procurement policy</a>

### The COP describes policies and practices related to the company's government relations in high-risk or conflict affected areas

Best practices	Our implementation
Assessment of opportunities for constructive engagement with government actors in order to support peace	<a href="#">'How we engage' in SD Report 2014</a>
Measures undertaken to avoid complicity in human rights violations by government actors	<a href="#">'How we engage' in SD Report 2014</a> <a href="#">'Human rights' in SD Report 2014</a> <a href="#">'Integrity and compliance' in SD Report 2014</a>
Management practices aimed at preventing corrupt relationships with government officials	<a href="#">'How we engage' in SD Report 2014</a> <a href="#">'Internal controls' in SD Report 2014</a> <a href="#">'Integrity and compliance' in SD Report 2014</a>

**The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas**

**Best practices**

**Our implementation**

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Stakeholder engagement mechanisms across company and contractor operations

[‘How we engage’ in SD Report 2014](#)

*[Why human rights matter](#)*

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Approaches to stakeholder engagement involving civil society, international organisations, etc

[‘How we engage’ in SD Report 2014](#)

*[Why human rights matter](#)*

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Sustainable social investment projects

[‘Communities’ in SD Report 2014](#)

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