

UN Global Compact

Communication on Progress 2015

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UN Global Compact



Chairman's statement of support for the UN Global Compact



Rio Tinto has been a signatory of the UN Global Compact since 2000. Over the past 15 years we have supported and promoted this significant initiative everywhere we operate. Our policies, standards and guidance align with the Ten Principles on human rights, labour, the environment and anti-corruption and these guide our overall approach to sustainable development. As the Chairman of Rio Tinto, I am very proud that in 2015, we continued to demonstrate progress against our Global Compact obligations.

In maintaining our commitment to sustainable development, we constantly seek to improve our standards and performance against the Ten Principles, by regularly reviewing our approaches and engaging with stakeholders. In 2015, we refreshed our business code of conduct, *The way we work* to make it clearer and more concise. This document helps us maintain the highest ethical standard of behaviour and to earn the trust of others.

In 2015, Rio Tinto signed the Paris Pledge for Action to reduce greenhouse gas (GHG) emissions. We have achieved a reduction of more than 21 per cent in our emissions intensity, exceeding the targets we set in 2008. We have extended our GHG intensity target to 2020.

We completed a Group level review of our Security and Human rights framework. Overall findings indicated that the framework and its internal controls were operating effectively and providing support to achieve our business objectives. We are also implementing the recommended improvements and are committed to use the recommendations to strengthen the control framework further.

Here you will find our 2015 Communication on Progress and read more about our practices in implementing the Ten Principles of the UN Global Compact.

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 2015 and GC Advanced COP Self-Assessment

All information in the Communication on Progress 2015 is compiled from our [Annual Report 2015](#), [Sustainable Development Report 2015](#) 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

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 2015 Sustainable Development (SD) Report 2015 The way we work
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	‘Sustainable Development’ in Annual Report 2015 ‘Strategy’ in SD Report 2015
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	‘Corporate governance’ in Annual Report 2015
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	‘Sustainable Development’ in Annual Report 2015 ‘Strategy’ in SD Report 2015
Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts	‘Corporate governance’ in Annual Report 2015

Criterion 2: The COP describes value chain implementation

Best practices	Our Implementation
Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	‘Principal risks and uncertainties’ in Annual Report 2015
Communicate policies and expectations to suppliers and other relevant business partners	Procurement principles ‘Human Rights’ in SD Report 2015

Implement monitoring and assurance mechanisms 'Corporate governance' in Annual Report 2015
(e.g. audits/screenings) for compliance within the
company's sphere of influence

'Performance' in SD Report 2015

'Value chain' in SD Report 2015

Case study: Enhancing the due diligence process
across our supply chain

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

'Value chain' in SD Report 2015

Case study: Building sustainable businesses in
Mongolia

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 recognized human rights, wherever the company operates (e.g., 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 2015</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)	<p>Human rights policy</p> <p>‘Human Rights’ in SD Report 2015</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>Procurement principles</p> <p>Human rights policy</p> <p>‘Human Rights’ in SD Report 2015</p> <p>Rio Tinto Procurement</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><i>The way we work</i></p> <p>Human rights policy</p> <p>‘Human Rights’ in SD Report 2015</p> <p>‘Communities and regional development’ in SD Report 2015</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 2015](#)
[‘Communities and regional development’ in SD Report 2015](#)

[Why human rights matter](#)

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 2015](#)
[Why human rights matter](#)

Internal awareness-raising and training on human rights for management and employees [‘Human Rights’ in SD Report 2015](#)
[‘Communities and regional development’ in SD Report 2015](#)

[Why human rights matter](#)

Operational-level grievance mechanisms for those potentially impacted by the company’s activities (BRE 4 +ARE 4) [‘Human Rights’ in SD Report 2015](#)
[‘Communities and regional development’ in SD Report 2015](#)

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

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

Allocation of responsibilities and accountability for addressing human rights impacts [‘Human Rights’ in SD Report 2015](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

Internal decision-making, budget and oversight for effective responses to human rights impacts [‘Human Rights’ in SD Report 2015](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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)

[‘Communities and regional development’ in SD Report 2015](#)

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

[Why human rights matter](#)

[Case study: Managing human rights risks in our maritime supply chain](#)

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)

[‘Human Rights’ in SD Report 2015](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

[Case study: Leading from the top: how managers can drive work place change](#)

[‘Helping business manage human rights risks’](#)

[Promoting best practice in security and human rights](#)

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 2015](#)

[‘At the frontline: security and human rights’](#)

[Why human rights matter](#)

Monitoring drawn from internal and external feedback, including affected stakeholders

[Why human rights matter](#)

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

Leadership review of monitoring and improvement results

[Why human rights matter](#)

Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	‘Human Rights’ in SD Report 2015 Our approach to communities and social performance <i>Why human rights matter</i> Case study: managing human rights risks in our maritime supply chain
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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 2015 <i>Why human rights matter</i> Our approach to communities and social performance Case study: managing human rights risks in our maritime supply chain
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Outcomes of integration of the human rights principles	‘Human Rights’ in SD Report 2015 <i>Why human rights matter</i> Case study: Ten year anniversary for landmark participation agreement Promoting best practice in security and human rights
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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.

Respecting human rights is the right thing to do and it contributes to our long-term success. The actions we take to respect human rights help us build strong relationships with local communities, employees and business partners. Failing to manage our human rights performance effectively can lead to real risks, which include losing our social licence to operate.

Our human rights approach is founded in *The way we work* and our [Human rights policy](#). Our approach is consistent with the [Universal Declaration of Human Rights](#) and the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#). We have also made voluntary commitments including support for the [OECD Guidelines for Multinational Enterprises](#), the [UN Global Compact](#) and the [Voluntary Principles for Security and Human Rights \(VPSHR\)](#).

Our Human rights policy, which reaffirms our commitment to respecting human rights, was updated in 2015. This is supplemented by internal guidance documentation which

helps our employees to implement the policy in practice. An online human rights training module is available for all employees. Approximately 2,100 employees have completed online training since its inception in 2013. In 2015, we refreshed this training so that it more closely reflects the types of human rights risks that individual employees may encounter in their roles.

In line with the human rights due diligence process in the UNGPs, we embed respect for human rights across the business and integrate human rights considerations into existing corporate processes including supplier due diligence, social and environmental risk analysis, impact assessment and complaints handling. We also conduct standalone human rights studies and programmes in high-risk sites if necessary.

In 2015 we conducted VPSHR and “use of force” training for security providers at five of our operations in Mongolia, South Africa, Jamaica and Guinea. We continued to work with our partners in academia and non-governmental organisations to conduct a research project on preventing conflict in the mining sector. We have developed and are in the process of rolling out our revised guidance note for security and human rights principles.

In 2015, our Group Audit & Assurance team completed a Group-level review of security and human rights. Overall findings indicate that the framework and its internal controls were operating effectively and providing support to achieve our business objectives. The report noted minor control weaknesses existed in certain areas, and recommended improvements including:

- the design and implementation of a governance and assurance structure to include monitoring, measurement and auditing of security providers;
- the need to develop an assurance framework and accountability model to ensure compliance with the *Group Security guidance* and *Site assurance visits and firearm decision reviews* documents;
- a need for risk assessment and consistent authorisation processes to support the use of weapons (excluding firearms);
- more consistent reporting of site security and human rights incidents;
- VPSHR guidance, tools and templates that support a fit-for-purpose Group-wide approach to security and human rights; and
- a more informative security training for management of high-risk sites.

Group Security has taken actions to address the findings, and is committed to using the audit recommendations to strengthen the security and human rights control framework further.

To avoid our involvement in human rights harm through a third party we work with business partners to manage human rights risks and to promote human rights. *The way we work*, our Human rights policy and [Procurement principles](#) apply to all suppliers and contractors working with or on behalf of Rio Tinto. They specify that suppliers should maintain human rights policies and have a process to assure compliance. Pre-qualification checks, contractual arrangements and ongoing monitoring help us to ensure that suppliers follow these principles. In 2015, we conducted a pilot programme to review the Group’s third party pre-tender due diligence process to ensure a holistic approach for responsible supply chain practice.

We respect the land connection of Indigenous communities and seek 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 the [2013 ICMM Position Statement on Indigenous Peoples and Mining](#). We seek consent as defined in relevant jurisdictions, and ensure agreement-making processes are consistent with such definitions.

Under our Communities standard, all sites must have a complaints, disputes and grievance mechanism in place, which reflects the UNGPs guidelines. The Sustainability Committee reviews any human rights complaints received through *Speak-OUT*, our whistleblowing system for all employees, suppliers and contract.

During 2015 we continued to participate in national and international business and human rights discussions, including several global, thematic and regional events. We also engaged with stakeholders such as governments, civil society and investors on our human rights approach through publications, briefings, surveys and responses to enquires.

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> Human rights policy
Reflection on the relevance of the labour principles for the company	‘People’ in SD Report 2015 <i>The way we work</i> Employment policy Diversity and inclusion policy Human rights policy Case study: driving for diversity at Oyu Tolgoi
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).	‘People’ in SD Report 2015 <i>The way we work</i> Employment policy Diversity and inclusion policy Human rights policy
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	‘Human Rights’ in SD Report 2015 ‘People’ in SD Report 2015 Procurement principles <i>The way we work</i> Case study: Driving diversity through technology and inclusion

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 ‘People’ in SD Report 2015 Case study: Driving diversity through technology and inclusion
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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 2015 Case study: Enhancing the due diligence process across our supply chain
Allocation of responsibilities and accountability within the organization	Diversity and inclusion policy Employment policy ‘Corporate governance’ in Annual Report 2015
Internal awareness-raising and training on the labour principles for management and employees	‘Human Rights’ in SD Report 2015
Active engagement with suppliers to address labour-related challenges	‘People’ in SD Report 2015 ‘Suppliers’ in SD Report 2015 ‘Value chain’ in SD Report 2015
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	‘Corporate governance’ in Annual Report 2015 ‘Value chain’ in SD Report 2015 ‘Human Rights’ in SD Report 2015

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 standardized performance metrics [‘People’ in SD Report 2015](#)

[Diversity and inclusion policy](#)

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 [‘Value chain’ in SD Report 2015](#)

[‘People’ in SD Report 2015](#)

[Why gender matters](#)

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 [‘Value chain’ in SD Report 2015](#)

[‘Communities and regional development’ in SD Report 2015](#)

[Why gender matters](#)

[Case study: Building sustainable businesses in Mongolia](#)

Outcomes of integration of the Labour principles [‘People’ in SD Report 2015](#)

[Why gender matters](#)

[Case study: Driving for diversity at Oyu Tolgoi](#)

[Case study: Supporting our workforce in the Pilbara](#)

[Case study: Working together for a better future](#)

[Case study: Celebrating diversity across Rio Tinto](#)

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. This right is enshrined in *The way we work* and we also expect our suppliers and business partners to respect this right.

We do not employ forced, bonded or child labour. *The way we work*, our Human rights policy and Procurement principles apply to all suppliers and contractors working with or on behalf of Rio Tinto and specify that suppliers should maintain policies to prohibit forced, bonded or child labour, and have a process to assure compliance.

We employ 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 employ people with disabilities and make considerable efforts to offer suitable alternative employment and retraining to employees who become disabled and can no longer perform their regular duties.

Throughout 2015, we remained one of the largest private sector employers of Indigenous Australians, with over 1,500 full time Indigenous employees who represented approximately 7.3 per cent of our Australian workforce. Additional Indigenous contractors also worked on our Australian mine sites. Our local employment commitments are often managed through directly negotiated agreements with Traditional Owners.

We are focused on increasing the representation of women in our business, and achieving a better balance of gender in the short term, and nationality in the medium term. We are also focused on developing a more diverse leadership team. This involves developing local nationals in emerging regions to ensure they have the capabilities and experience to lead our operations.

Where we can, we prefer to employ local candidates. Where local capacity does not meet our requirements we work in partnership with local communities and government to implement programmes that develop skill levels and work readiness.

In 2015, women represented 43 per cent of our graduate intake, 25 per cent of the board, 18.1 per cent of our senior management, and 18.5 per cent of our total workforce. 33.3 per cent of our graduate intake in 2015 comprises nationals from regions where we are developing new businesses. Our continued focus on graduates as a future talent pipeline has seen us exceed our target for 2015.

Our Group diversity targets for 2016 reflect these focus areas:

- 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.

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)	‘Environment’ in SD Report 2015 ‘Sustainable Development’ in Annual Report 2015
Reflection on the relevance of environmental stewardship for the company	‘Environment’ in SD Report 2015 ‘Sustainable Development’ in Annual Report 2015 Case study: Partnering to save energy Rio Tinto’s approach to environmental management
Written company policy on environmental stewardship	Health, Safety, Environment and Communities policy
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 2015 ‘Sustainable Development’ in Annual Report 2015 Rio Tinto Climate Change Position Statement Rio Tinto Biodiversity Strategy Case study: Kitimat – One of the world’s lowest GHG-emitting aluminium smelters

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	‘Sustainable Development’ in Annual Report 2015 ‘Environment’ in SD Report 2015
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	‘Environment’ in SD Report 2015 Case study: Protecting India’s vultures Case study: Award-winning research helps protect fragile Canadian environment Case study: Minding the Gap Case study: Setting new standards for reclamation in the Mojave Desert
Allocation of responsibilities and accountability within the organisation	‘Corporate governance’ in Annual Report 2015
Internal awareness-raising and training on environmental stewardship for management and employees	‘Sustainable Development’ in Annual Report 2015 Environment policy
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	‘Sustainable Development’ in Annual Report 2015

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 standardized performance metrics	‘Environment’ in SD Report 2015 Rio Tinto Climate Change Position Statement ‘Performance data’ in SD Report 2015 Rio Tinto management system
Leadership review of monitoring and improvement results	‘Corporate governance’ in Annual Report 2015

Process to deal with incidents	‘Sustainable Development’ in Annual Report 2015 Rio Tinto management system
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	‘Environment’ in SD Report 2015 Rio Tinto management system
Outcomes of integration of the environmental principles	‘Environment’ in SD Report 2015 ‘Performance data’ in SD Report 2015 Case study: Protecting India’s vultures Case study: why partners are key in Ebola response Case study: Protecting Yindjibarndi heritage Case study: Kelian closure successfully completed Case study: Minimising cost and carbon dioxide through solar technology

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.

Air

We constantly review our emissions and apply strict air quality control standards across our operations, and in accordance with regulatory requirements. We also monitor particulate gas and vapour exposure in the workplace, in line with occupational health standards.

In 2015, we implemented our significantly revised air quality protection standard which sets high performance expectations on our operations. We support its implementation at all our managed businesses with extensive guidance and regular assurance auditing.

There are four major air emissions from our operation. We also report mercury air emissions at Group level. Detailed information on these emissions is included in the [2015 Rio Tinto Sustainable Development Report](#).

Biodiversity

We recognise biodiversity as a risk that we need to manage that constrains where and how we conduct our operations.

The mitigation hierarchy is central to our approach. A fundamental principle in the mitigation hierarchy is avoidance. This entails changing or stopping certain actions before they take place to prevent their expected impacts on biodiversity. When avoidance is not possible we identify measures aimed at minimising impacts and implementing best practice rehabilitation programmes. If the predicted residual impacts are still considered significant, then offsetting measures are considered.

Working with others in the natural resources sector is an important part of our approach. We continue to reach outside the business for expert advice and robust challenges to our programme and performance. In 2015, we agreed to a three-year extension to our agreement with the [International Union for Conservation of Nature \(IUCN\)](#). IUCN provides us access to leading voices from the conservation community to help us consider how best to manage and mitigate impacts on biodiversity from our activities.

Climate change

Our climate change programme focuses on reducing the emissions intensity of our operations, understanding and managing the impacts of policy and regulatory change, and increasing resilience to a changing climate. Setting targets, and regularly reporting against them, is a priority and help us to manage our performance.

When considering the long-term future of our business, including capital investment decisions, we apply a carbon price to assess the impacts of climate change on future costs and commodity value.

We recognise the long-term need to decarbonise our business and that our efforts to reduce emissions will need to increase over time. Innovation and the use of new technology are at the core of these efforts. Rio Tinto has participated in, and provided financial support for, organisations seeking to accelerate the commercialisation of carbon capture and storage.

Our businesses are also exposed to the impacts of a changing climate across a wide range of business activities. We recognise the risks, assess the potential impacts, and look for opportunities to build resilience over time. We also build resilience into the design of new assets and project development, with the need to assess these risks included in project development guidelines.

Reducing our greenhouse gas (GHG) emissions intensity index is one of seven Group key performance indicators. In 2008 we set a target of a ten per cent reduction in total GHG emissions intensity, to be achieved by 2015. By the end of this target period, we have achieved a 21.1 per cent reduction. This reduction is largely due to the divestment of aluminium smelters from 2009 to 2014 and the commencement of low-intensity operations in 2015.

This target has been extended to 2020, and aims for a 24 per cent reduction in our GHG emissions intensity index relative to our 2008 baseline. Targets have been developed in

collaboration with Group businesses, and take into account their current circumstances and future plans.

In 2015, our total GHG emissions were 31.3 million tonnes of carbon dioxide equivalent, a decrease of 2.5 million tonnes from 2014.

Energy

Rio Tinto has joined many other businesses supporting the agreement reached at COP21 in Paris by signing onto the Paris Pledge for Action. Mining and refining mineral products is energy intensive. Technology development is at the heart of improved energy solutions.

In 2015, our operations used 433 petajoules of energy. The majority of the 17 petajoule decrease from 2014 was a result of operational changes at some of our Aluminium and Diamonds & Minerals operations, but there were also contributions from operational efficiency gains across our product groups.

In 2015, 50 per cent (217 petajoules) of the energy we used was electricity. Seventy two per cent of our total electricity use was sourced from low greenhouse gas emission sources such as hydro, nuclear and renewable power sources. We own significant hydropower generation facilities in Canada and Scotland. And in 2015 the 1.7MW Weipa solar photovoltaic (PV) plant was commissioned and is saving up to 600,000 litres of diesel per year and cutting CO₂ emissions by 1,600 tonnes per year, whilst in Karratha, Western Australia, Rio Tinto is installing solar PV on 300 houses it owns for its Iron Ore workforce.

In addition to energy supply we recognise that how we use energy is also important and in the energy intensive aluminium business our technical advances have made it possible for Rio Tinto and other smelters to keep the production process for aluminium as efficient as possible. Rio Tinto's proprietary AP Technology™ reduces electricity consumption, drives down atmospheric emissions, including greenhouse gases, and enables producers to recycle waste streams internally. Perfected over 30 years, AP Technology™ is recognised today as the cleanest way to produce aluminium.

Waste

Our waste management approach starts with characterising our waste and predicting how it will behave. We determine how each waste type behaves in the short to long term – and long term can be over decades and centuries. Where there is not an opportunity to reuse or recycle our waste we manage it in facilities compatible with their physical nature and specific risks. In 2015, we disposed of 1,740 million tonnes of mineral waste (predominantly waste rock and tailings) and 286,837 tonnes of non-mineral waste.

Water

Our global water management approach recognises the variation in local context and local risk. We have established a core set of performance outcomes for all sites, and we entrust water strategy, water risk management, and water performance to the sites.

Reflecting this approach, our Group water performance target for 2014 to 2018 is that managed operations with material water risk will achieve a tailored, locally relevant water target by 2018. These local water targets, formulated by site specialists and approved by

site leadership, must result in an improvement in the management of material water risk. Local water performance targets have been set to address water supply, ecological impacts, or surplus water management at 30 operations across the Group.

At the end of 2015, 60 per cent of operations with local water performance targets were on track to meet their target by 2018. Where operations are not on track to meet their local water target, they are contending with challenges such as prioritisation of capital that is slowing or deferring spending on water projects, and technical challenges such as longer than anticipated commissioning of water treatment systems or drought-constrained water supply. We expect operations not on track to make up ground in the next three years of the target period and achieve their 2018 target. Despite these challenges, we have found the target is driving discussion about water-related risk and is positively influencing operational performance.

We continue to work with international organisations committed to sustainable water management and development of good water policy. In 2015, ICMM published a [practical guide](#) to catchment-based water management for the mining and metals industry. We were actively involved in the development of this guide, which outlines a comprehensive and systematic approach for identifying, evaluating and responding to catchment-based water-related risks. It serves as a structured guide to companies as they develop their water strategies and plans.

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)	‘Business integrity’ in SD Report 2015 The way we work Business integrity standard
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 standard ‘Business integrity’ in SD Report 2015 Case study: Helping our people make the right choices
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	‘Business integrity’ in SD Report 2015 Case study: Rio Tinto first to meet new Australian tax transparency code
Detailed policies for high-risk areas of corruption (D4)	Business integrity standard
Policy on anti-corruption regarding business partners (D5)	Business integrity standard The way we work

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)	‘Business integrity’ in SD Report 2015

Carrying out risk assessment of potential areas of [‘Business integrity’ in SD Report 2015](#)
corruption

Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	‘Business integrity’ in SD Report 2015 Case study: Helping our people make the right choices
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Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	‘Business integrity’ in SD Report 2015
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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 2015 ‘Business integrity’ in SD Report 2015
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Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	‘Business integrity’ in SD Report 2015
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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)	‘Business integrity’ in SD Report 2015 Taxes paid 2015 Case study: Rio Tinto takes tax transparency to new level
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Process to deal with incidents (D13)	‘Corporate governance’ in Annual Report 2015 ‘Business integrity’ in SD Report 2015
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Use of independent external assurance of anti-corruption programmes	‘Sustainable Development’ in Annual Report 2015 ‘Assurance’ in SD Report 2015
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Outcomes of integration of the anti-corruption principle

[‘Business integrity’ in SD Report 2015](#)

[Taxes paid 2015](#)

Internal accounting and auditing procedures related to anticorruption

[‘Business integrity’ in SD Report 2015](#)

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

We operate within all relevant laws and regulations and are dedicated to open and transparent dealings with our stakeholders. Strong governance structures along with our people acting with integrity and being accountable for our actions are the foundations on which we do business.

The way we work, our code of conduct, was refreshed in June 2015. It acts as a vital tool for all our people by explaining our company values of respect, integrity, teamwork and accountability and helps to guide our behaviour and those working on our behalf. It helps us to focus on the risks our business faces on a daily basis and which are relevant to the organisation, our employees or parties we work with.

To ensure our integrity and compliance programme remains relevant, effective and aligned with a risk-based approach, it will be refreshed this year. This is supported by our [Business integrity standard](#) and improved guidelines for assessing business integrity risks, making it easier for the business to consider these risks as part of their overall risk framework. We regularly review and refresh our training material and methods of delivery to ensure they remain relevant to the risks that employees encounter in their jobs. We have been working with the business on implementing a risk-based monitoring controls programme to provide assurance on our internal controls and to ensure there is capability to help deal with possible issues promptly and efficiently.

Rio Tinto is committed to maximum transparency and accountability, consistent with good governance and commercial confidentiality. Information on the Group’s operational, financial and sustainable development performance is published in a timely manner through a number of channels including our Annual report. 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 have a representative on the board of the EITI.

We released our [Taxes paid in 2015](#), an annual report showing the payments we make to governments in each of the main countries in which we operate. The report contains detail on areas such as our tax planning principles and effective tax rates, as well as commentary on tax havens. It meets the new requirements of the EU Accounting Directive by including a more detailed disclosure of payments; they are now reported on a project-by-project basis.

We communicate views to governments and other organisations on matters affecting our business interests. By furthering public conversation, we can contribute to the development of sound legislation and regulation.

Speak-OUT, the Group's confidential and independently operated whistleblowing service is available to all employees, including suppliers and contractors. In 2015, 600 *Speak-OUT* incidents were reported. We continue to monitor the success of *Speak-OUT* and other internal reporting channels. This helps us to provide a practical and effective system for reporting concerns, therefore creating a culture of transparency and accountability. Lessons learnt from internal investigations are incorporated into our Compliance programme and regularly communicated throughout the organisation.

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>‘Group strategy’ in Annual Report 2015</p> <p>‘Strategy’ in SD Report 2015</p> <p>UN Global Compact in SD Report 2015</p> <p>Millennium Development Goals in SD Report 2015</p> <p>Our approach to communities and social performance</p> <p>The way we work</p> <p>Human rights policy</p>
Develop relevant products and services or design business models that contribute to UN goals/issues	<p>‘Business model’ in Annual Report 2015</p> <p>UN Global Compact in SD Report 2015</p> <p>Millennium Development Goals in SD Report 2015</p> <p>The way we work</p> <p>Our approach to communities and social performance</p> <p>Human rights policy</p> <p>Rio Tinto raises the bar with its second Reconciliation Action Plan</p>
Adopt and modify operating procedures to maximize contribution to UN goals/issues	<p>Millennium Development Goals in SD Report 2015</p> <p>The way we work</p> <p>Our approach to communities and social performance</p> <p>Human rights policy</p>

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

'Communities and regional development' in SD Report 2015

'Economic contributions' in SD Report 2015

Community involvement: more than \$110,000 for regional elementary schools

Coordinate efforts with other organizations and initiatives to amplify and not negate or unnecessarily duplicate the efforts of other contributors

'Engagement' in SD Report 2015

'Human rights' in SD Report 2015

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

'Communities' in SD Report 2015

Case study: Ten-year anniversary for landmark participation agreement

Tiddalik: The ancient story retold for future generations

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 2015](#)

[‘Sustainable Development’ in Annual Report 2015](#)

[‘Chief executive’s message’ in SD Report 2015](#)

[‘Human rights’ in SD Report 2015](#)

[‘Communities’ in SD Report 2015](#)

[‘Millennium Development Goals’ in SD Report 2015](#)

[The way we work](#)

[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

[‘Business integrity’ in SD Report 2015](#)

[‘Human rights’ in SD Report 2015](#)

Criterion 18: The COP describes partnerships and collective action

Best practices

Our implementation

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 2015](#)

[‘Engagement’ in SD Report 2015](#)

[‘Environment’ in SD Report 2015](#)

[‘Human Rights’ in SD Report 2015](#)

[‘Business integrity’ in SD Report 2015](#)

[Why human rights matter](#)

[Why gender matters](#)

[Why cultural heritage matters](#)

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 and regional development' in SD Report 2015

'Engagement' in SD Report 2015

'Environment' in SD Report 2015

'Human Rights' in SD Report 2015

'Business integrity' in SD Report 2015

Why human rights matter

Why gender matters

Why cultural heritage matters

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	<p>‘Chief executive’s message’ in SD Report 2015</p> <p>‘UN Global Compact’ in SD Report 2015</p> <p>CEO speech on VPSHR</p>
CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards	‘Chief executive’s message’ in SD Report 2015
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<p>‘Chief executive’s message’ in SD Report 2015</p> <p>‘Strategy’ in SD Report 2015</p>
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 2015

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	‘Corporate governance’ in Annual Report 2015
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	‘Corporate governance’ in Annual Report 2015
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	‘Corporate governance’ in Annual Report 2015

Criterion 21: The COP describes stakeholder engagement

Best practices

Our implementation

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

'Engagement' in SD Report 2015

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

'Engagement' in SD Report 2015

'Communities and regional development' in SD Report 2015

Why human rights matter

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

'Engagement' in SD Report 2015

'Communities and regional development' in SD Report 2015

Our approach to communities and social performance

Why human rights matter

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 2015

'Human rights' in SD Report 2015

"People" in SD Report 2015

'Business integrity' in SD Report 2015

Our approach to communities and social performance

Why human rights matter
