

UN Global Compact

Communication on progress 2008

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Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence

GRI G3 indicator: HR1, HR2, HR6, HR7

Our level of Reporting: Fully

Our progress

We respect human rights wherever we operate, and comply with local laws and our own corporate policy. We support human rights consistent with the United Nations Universal Declaration of Human Rights. We also support a number of international commitments and are dedicated to complying with these. Respect for human rights is integral to the performance of our operations wherever we operate. Our human rights policy is a vital part of maintaining positive relationships with our communities and others, which in turn is essential in preserving our licence to operate.

We train our employees to be aware of what the company expects of them regarding the rights of our people and the communities in and around our operations. Employees must comply with our commitments, which are set out in our statement of business principles - *The way we work*.

Our commitment to human rights is reflected in *The way we work* and our complementary guidance documents on Human Rights and Business Integrity. We also endorse the United Nations Universal Declaration of Human Rights.

Our human rights policy determines how we are expected to respect human rights, and how we would respond if there was a breach of those rights. In implementing our policy, we are subject to the 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.

Our human rights policy and procedures are supported by an online web based ethics and compliance training system. Training on the human rights module, which is compulsory at the general manager level or above, is valid for two years.

Every year, all our businesses complete a comprehensive Internal Controls Questionnaire (ICQ) to demonstrate their compliance in the area of human rights.

Policy, standards & guidance

- [The way we work](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

Promoting human rights across Rio Tinto

Upholding human rights is important wherever we work. It is receiving even closer attention as we start working in developing regions of the world.

[Read the full article](#)

Principle 2

Make sure that they are not complicit in human rights abuses

GRI G3 indicator: HR1, HR2

Our level of reporting: Fully

Our progress

We seek to ensure that Rio Tinto's presence fosters sound relationships and avoids conflict wherever we are. Rio Tinto respects and supports the dignity, well being and rights of Group employees, our families and the communities in which we live, as well as others affected by the Group's operations. Where those rights are threatened, we seek to have international standards upheld and to avoid situations that could be interpreted as condoning human rights abuses. We ensure that our equipment and facilities are not misused in violation of them.

The Group's procedures for using security personnel are based on human rights principles and include guidelines and restrictions on the use of force. These procedures are reinforced by training and applied to contract security personnel as well as to Group employees.

Rio Tinto has participated in the Voluntary Principles on Security and Human Rights process from the initial drafting stage, and we continue to believe in their potential for protecting and promoting human rights, and for helping companies operate with full respect for the relevant human rights standards. This is particularly important in regions where the responsibly-ensured security of mining operations cannot be taken for granted, and where the locally available private or public security providers may need both training and effective supervision to ensure that they carry out their duties in the manner envisaged by the Voluntary Principles (VPs).

In mid-2008, Rio Tinto created a Global Security Group, drawing on the security organisation formerly based in Alcan. The Group currently comprises 12 security managers and advisers; it is headquartered in London, and has regional bases in Montreal, Paris and Brisbane. The new structure will reinforce our ability to implement the VPs on a world-wide basis, with professional oversight of operations in our business units.

The Global Security Group has already had a major part to play in designing "New Country Entry" procedures, intended to give practical effect to our commitment to the VPs at the crucial initial stage of a business venture. Further work on guidance in particular fields will follow, as will a revised version of the security component of the ICQ.

The Group has also begun work on the selection of a number of preferred security providers, with the appropriate due diligence including background checks on management and personnel. The intention is that new security contractors working with Rio Tinto should be required to comply with a "Code of Conduct for Private Security Companies", which will draw on the VPs, on European and wider international best practice, and on the relevant UN Codes and Principles.

Required training on human rights within Rio Tinto continues to include a lesson devoted to security and human rights, underlining that Rio Tinto security policies draw on and are consistent with the VPs. More specialised training, also aligned with the VPs, is provided by Rio Tinto Diamonds; by business units operating in higher-risk environments, and as required as part of the "New Country Entry" procedures referred to above.

We train our staff to be aware of the rights of our people and the communities in and around where we work. Our employees are required to comply with our commitments as set out in *The way we work*. In 2008, all our businesses completed a comprehensive Internal Controls Questionnaire (ICQ) to attest their compliance in the area of human rights. In 2008, there were no reported breaches of our human rights policy. We also have a confidential and independent means for employees to report issues and communicate ideas called *Speak-OUT*.

Policy, standards & guidance

- [The way we work](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

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- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

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[Read the full article](#)

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

GRI G3 indicators: LA4, LA5, HR5

Our level of reporting: Fully

Our progress

We recognise everyone's right to choose whether or not they wish to join a union. Consistent with local labour laws our worldwide operations have a mixture of union and non union collective employment agreements and individual agreements.

Policy, standards & guidance

- [*The way we work*](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Principle 4

The elimination of all forms of forced and compulsory labour

GRI G3 indicators: HR7

Our level of reporting: Fully

Our progress

We do not use or employ forced, bonded or child labour. Rio Tinto requires all business units to set out clear rules on recruitment consistent with the human rights policy, equal opportunity requirements and relevant employee protection legislation.

Rio Tinto employs on the basis of job requirements and does not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics or religion. Exceptions are made to favour local employment where local laws provide.

During 2008, Rio Tinto Diamonds continued to implement a Business Excellence Model to ensure their product has not been processed by child labour or in sweat shops. The Business Excellence Model accredits Indian diamond cutting customers for environmental practices and good working conditions.

Rio Tinto Diamonds is also an active member of the Responsible Jewellery Council which promotes social standards, including the abolition of child labour, across the jewellery supply chain from mine to retail.

Policy, standards & guidance

- [The way we work](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

Rio Tinto Diamonds launches quality assurance mark

Diamond buyers and their customers can rest assured that they are buying gems produced to highest standards of quality and integrity, with the introduction of a new brand mark from Rio Tinto Diamonds.

[Read the full article](#)

Principle 5

The effective abolition of child labour

GRI G3 indicators: HR6

Our level of reporting: Fully

Our progress

We do not use or employ forced, bonded or child labour.

During 2008, Rio Tinto Diamonds continued to implement a Business Excellence Model to ensure their product has not been processed by child labour or in sweat shops. The Business Excellence Model accredits Indian diamond cutting customers for environmental practices and good working conditions.

Rio Tinto Diamonds continues to be an active member of the Responsible Jewellery Council which promotes governance, social and environmental standards across the jewellery supply chain from mine to retail.

Policy, standards & guidance

- [*The way we work*](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [Transparency International](#)
- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)
- [Responsible Jewellery Council](#)

Case studies

Rio Tinto Diamonds launches quality assurance mark

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[Read the full article](#)

Principle 6

Eliminate discrimination in respect of employment and occupation

GRI G3 indicators: LA8, LA13, LA14, HR4

Our level of reporting: Fully

Our progress

Rio Tinto requires all recruitment to be consistent with the human rights policy, equal opportunity requirements and relevant employee protection legislation.

We have received public recognition for our efforts in attracting, developing and retaining women in the mining industry.

- Rio Tinto Fer et Titane received a national award in 2008 for pioneering and tangible achievements in enhancing access for women to non traditional roles
- Rio Tinto Alcan in Australia received a citation in 2008 from the Equal Opportunity for Women in the Workplace Agency as an Employer of Choice for Women, for its progress in recognising and advancing women in the workforce

We have made slow progress on our target to increase the representation of women in senior management to 20 per cent in 2009, achieving 9 per cent representation in 2008. As at January 2009, 20 per cent of our executive committee were women.

Rio Tinto is committed to working in partnership with indigenous communities. Our policy of increasing opportunities for Indigenous Australians is reflected in directly negotiated community benefit agreements. During 2008 our Australian Indigenous employment peaked at 1,493 people and settled at 1,393 people at year end, a net increase of 181 people. This represents eight per cent of our Australian workforce and makes us the largest private sector employer of Indigenous Australians.

Policy, standards & guidance

- [The way we work](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

HIV/AIDS strategy

Rio Tinto continues to support programmes about HIV/AIDS

[Read the full article](#)

Richards Bay Minerals signed definitive agreements for its BBBEE transaction December 2008

Rio Tinto's South African joint venture with BHP Billiton Plc, Richards Bay Minerals ("RBM"), announced that agreements with a Broad-Based Black Economic Empowerment ("BBBEE") Consortium were signed, in which 24 per cent of RBM will be transferred to a group comprising local communities and investors with a further 2 per cent to be transferred to a trust for the benefit of RBM employees.

[Read the full article](#)

Rio Tinto marks World AIDS Day

To mark the 20th Annual World AIDS day on 1 December 2008, people across Rio Tinto's African businesses participated in events to raise awareness of and educate people about HIV/AIDS.

[Read full article](#)

Support for HIV trials

Rio Tinto is among twelve mining companies that have agreed to pay for trials of a new HIV vaccine in South Africa.

[Read full article](#)

Principle 7

Businesses should support a precautionary approach to environmental challenges

GRI G3 indicators: 4.11, EN26

Our level of reporting: Fully

Our progress

We did not meet our 2003 to 2008 GHG emissions target, with a 3.8 per cent increase in emissions per tonne of product (excluding former Alcan operations), compared to a four per cent reduction target.

Over the target period, improved anode use and PFC emission control at aluminium smelting operations contributed to overall group performance improvements compared to 2003. However, these were overshadowed by additional waste movement required to access bulk commodities such as coal and iron ore. Lower grade ore was also mined and processed at some operations. Land clearance rates increased associated with mine expansion and development to meet the changing market conditions. These changes resulted in increased GHG emissions per unit of production.

Changing our emissions profile is a long term challenge. During 2008 we progressed a number of projects targeting emissions reductions:

- Rio Tinto Alcan continues to invest in clean hydropower through the upgrade of the Shipshaw power station. It is also upgrading the Kitimat smelter in British Columbia, by deploying its proprietary AP smelting technology.
- Rio Tinto Iron Ore announced an upgrade of its Pilbara power station using more efficient technology which will reduce emissions by 14 per cent.
- Kennecott Utah Copper is constructing a lower emissions combined heat and power plant and Richards Bay Minerals is developing power generation from furnace off gas.
- Scientists from Australia's CRC Mining research centre and energy company AGL are working with Coal & Allied's Mount Thorley Warkworth mine in New South Wales. They are investigating capture of coal seam methane gas.

Policy, standards & guidance

- *The way we work*
- Biodiversity strategy
- Closure standard
- Environmental management system standard
- Air quality control standard

- [Mineral waste management standard](#)
- [Acid rock drainage prediction and control standard](#)
- [Greenhouse gas emission standard](#)
- [Hazardous materials and contamination control standard](#)
- [Land use stewardship standard](#)
- [Noise and vibration control standard](#)
- [Non mineral waste management standard](#)
- [Water use and quality control standard](#)

External links

- [Transparency International](#)
- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)
- [Carbon Disclosure Project](#)

Case studies

Water strategy sets the standard

Ethical Corporation, an independent firm that encourages debate and discussion on responsible business practices, has recognised Rio Tinto's water strategy as providing a model for other businesses.

Speaking at Ethical Corporation's Water and Business Summit in London, in November 2008, Elaine Dorward-King, global head of HSE said: "Rio Tinto's approach to proactively manage our water resources is gaining recognition externally. We have had steady improvement in our water management since our water strategy was implemented in 2005.

[Read the full article](#)

Principle 8

Undertake initiatives to promote greater environmental responsibility

GRI G3 indicators: EN2, EN11, EN21, EN26, MM3, 4.14

Our level of reporting: Fully

Our progress

Rio Tinto has developed and implemented a number of practical programmes covering the management of air quality, ecosystems services, biodiversity, climate change, energy, land, water, waste, and closure. These programmes include input from our local communities as well as from experts in these fields.

Biodiversity

During 2008 we Implemented the Biodiversity values assessment protocol developed in 2007. Thirty seven operations (of 102 assessed) were associated with either very high (27) or high (10) biodiversity values on the basis of:

- land in proximity to biodiversity rich habitats;
- species of conservation significance;
- additional site specific context; and
- the external conservation context.

Our biodiversity partners include: BirdLife International, Conservation International, Earthwatch Institute, Fauna & Flora International and Royal Botanic Gardens, Kew

Water

The World Economic Forum invited Rio Tinto to join its Project Board for a major water initiative from 2008-2010. Our participation at the forum is a unique opportunity to participate at a leadership level in the water debate, to learn from other leading companies about their successful approaches, and to enable others to recognise the good work we have already undertaken in water management.

Land

We belong to international and national policy development forums on land matters, and also participate in multi-lateral initiatives with organisations such as the International Union for Conservation of Nature (IUCN), United Nations Environment Programme and the Convention on Biological Diversity. As a member of the International Council on Mining

and Metals, we help to develop industry policies and practices on protected areas and long term access to land.

At the end of 2008 our operational footprint was 1,832km². This footprint represents five per cent of the total operational land holding. As at the end of 2008, 467km² (25 per cent) of our footprint has been rehabilitated.

Climate change

Our executive committee sponsors energy efficiency projects. During 2008, we formed a new Energy and Climate Strategy team to provide strategic direction and support to the businesses.

Changing our emissions profile is a long term challenge. During 2008 we progressed a number of projects targeting emissions reductions:

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- Scientists from Australia's CRCMining research centre and energy company AGL are working with Coal & Allied's Mount Thorley Warkworth mine in New South Wales. They are investigating capture of coal seam methane gas

We are developing a project entitled Natural Capital. This will investigate the business case and methodologies around designing and implementing ecosystem service offsets and investments in non operational, land based assets.

At our [Kennecott Copper operation in Utah](#) we have successfully developed and then sold wetland credits as part of our [Inland Sea Shorebird Reserve project](#). In [Madagascar](#) we are exploring the possibility of developing ecosystem service credits around water and biodiversity at a number of our conservation management sites. Natural Capital has the potential to create green market credits such as these through both regulatory and voluntary markets.

Policy, standards & guidance

- [*The way we work*](#)
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- [Land use stewardship standard](#)
- [Noise and vibration control standard](#)
- [Non mineral waste management standard](#)
- [Water use and quality control standard](#)

External links

- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

Publishing our Malagasy biodiversity research

In May 2008, Rio Tinto launched a major scientific publication that was the result of nearly 20 years' research into biodiversity, ecology and conservation as part of a planned mining project in south east Madagascar.

The book provides a valuable resource for understanding the unique biodiversity and challenges faced by this part of the world. It also demonstrates Rio Tinto's commitment to sustainable development in one of the most biodiverse regions of the planet, and illustrates our Groupwide biodiversity strategy.

[Read the full story](#)

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

GRI G3 indicators: EN2, EN26, EN27

Our level of reporting: Fully

Our progress

Rio Tinto continues to be an active member of the Australian Cooperative Research Centre for Greenhouse Gases (CO2CRC) and sponsors the Otway Basin Pilot Project, Australia's research and demonstration project for storing carbon dioxide in geological formations. The project commenced in 2005 and is planned to continue until 2010.

The aim of the Otway Basin Pilot Project is to demonstrate that CO₂ can be safely captured, transported and stored underground under Australian conditions. The project also aims to develop and test methods for monitoring CO₂ storage activities. Gas (85% - 92% CO₂) is extracted from a source well and the CO₂ is separated and compressed. It is transported by pipeline and then selectively injected into a depleted reservoir at a depth of approximately 2000 metres. To date, over 60,000 tonnes of CO₂ have been injected and stored in the reservoir. The CO₂ plume is stable and injection is scheduled to cease in the second half of 2009.

A comprehensive monitoring and verification program is in place.

Through observation and modelling the project aims to demonstrate that geological storage is a sustainable long term option that is publicly acceptable.

A community consultation program is being run throughout the project to ensure the public is aware of the project and answer any questions they may have as a mechanism to gain acceptance.

Policy, standards & guidance

- [*The way we work*](#)
- [Biodiversity strategy](#)
- [Closure standard](#)
- [Environmental management system standard](#)
- [Air quality control standard](#)
- [Mineral waste management standard](#)
- [Acid rock drainage prediction and control standard](#)
- [Greenhouse gas emission standard](#)
- [Hazardous materials and contamination control standard](#)
- [Land use stewardship standard](#)

- [Noise and vibration control standard](#)
- [Non mineral waste management standard](#)
- [Water use and quality control standard](#)

External links

- [Carbon sequestration leadership forum](#)
- [Asia Pacific Partnership](#)
- [International Energy Agency Greenhouse Gas Research and Development Programme](#)
- [CCS Association](#)

Case studies

Coal bed methane project aims to reduce emissions

In 2007 Rio Tinto Coal Australia started a project to capture and process methane gas from its open cut Mount Thorley Mine in the Hunter Valley in New South Wales. The A\$5 million pilot project aims to determine the feasibility of capturing the gas prior to mining, so reducing methane emissions.

[Read the full article](#)

Principle 10

Business should work against corruption in all its forms, including extortion and bribery

GRI G3 indicators: S02, S03, S04

Our level of reporting: Fully

Our progress

We are committed to maximum transparency, consistent with good governance and commercial confidentiality.

Since 2005, we have required all our managers and above to undertake training on our business integrity guidance. This addresses areas such as political involvement, bribery, corruption, facilitation payments and gifts and entertainment. Since 1 January 2008, 3803 employees have completed this training module.

Following face to face training sessions in 2007 focusing on the United States Foreign Corrupt Practices Act (FCPA) an on line training module on the FCPA has been made available to our businesses.

Every year, each of our businesses completes a rigorous and comprehensive Internal Control Questionnaire (ICQ) that checks their compliance with our policies and standards, including those set out in our statement of business practice The way we work. During 2008, a team reviewed The way we work and a revised version will be launched in 2009. It is mandatory for our employees to adhere to the principles and policies set out in the The way we work and to undertake training on it.

We have a toll free telephone based program available for employees and others to report concerns. The program is called *Speak-OUT*. This program is confidential and is operated by a company independent of Rio Tinto. In addition to the reports to senior management in the relevant businesses, monthly reports are received from the operator by the Chief executive and the Global Head of Compliance.

We do not directly or indirectly participate in party politics or make payments to political parties or individual politicians.

[Read more about our progress on Principle 10](#)

Policy, standards & guidance

- [*The way we work*](#)
- [Human rights guidance](#)
- [The way we buy](#)
- [Business integrity guidance](#)

External links

- [Transparency International](#)
- [The Universal Declaration of Human Rights](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Extractive Industries Transparency Initiative](#)

Case studies

Rio Tinto named among most ethical

Rio Tinto has been named in the "elite list" of the world's most ethical companies in Ethisphere magazine, selected by the [Ethisphere Council](#), a US based think tank.

Ethisphere says the "World's Most Ethical Companies" are the ones that go above and beyond legal minimums, bring about innovative new ideas to expand the public well being and work on reducing their carbon footprint. "These are the companies that stand out among the competition in their industry."

[Read full story](#)