

August 2018

Rio Tinto has been pleased to engage with the Corporate Human Rights Benchmark (CHRB) as it prepares to launch its 2018 results. Rio Tinto is committed to transparency, understanding that our key stakeholders including community members, investors, civil society and business partners have an interest in learning more about how we manage our human rights risks. We share information about our human rights approach through core external documents including:

- [The way we work](#) – our corporate code of conduct
- [Human rights policy](#)
- [Supplier code of conduct](#)
- [Approach to communities and social performance](#)
- [Annual report](#)
- [Sustainable Development report](#)
- [Modern Slavery statements](#)
- [Why Human Rights Matters](#), [Why Gender Matters](#), [Why Cultural Heritage Matters](#) and [Why Agreements Matter](#) guides

This document contains excerpts from selected Rio Tinto Standards and Guidance notes which are not publicly available in full but which inform the above materials. They are largely operational documents designed to guide our people on how to prevent and address particular challenges on the ground. Most are dependent on knowledge of related internal policies and processes. We note that Rio Tinto Standards are mandatory internal compliance instruments for Rio Tinto businesses and managed operations. Guidance notes are not mandatory but set out highly recommended processes. *The way we work*, our corporate code of conduct, highlights our expectations that our business partners also work towards meeting our policies and processes.

The excerpts below are provided here to strengthen the CHRB's understanding of our relevant human rights related policies and processes as part of the 2018 assessment. Most of the excerpts relate to several parts of the CHRB's 2018 methodology and we encourage the CHRB team to consider their relevance to multiple indicators. We note that other parts of these documents are also important for our broader human rights approach but in the interests of brevity we have selected excerpts we believe are especially relevant for the CHRB assessment.

We are currently reviewing our communication around environmental, social and governance, including human rights, materials with a view to further evolving our approach in line with stakeholder expectations.

Communities and Social Performance Standard

Clause 1.3: consultation and engagement

Consultation and engagement processes must take place, in good faith. Such processes must be transparent, inclusive, culturally appropriate and publically defensible; ensuring that:

- a) community and stakeholder mapping and analysis informs engagement plans;
- b) methods, mechanisms, language and format used are suitable to social context;
- c) potentially affected communities are as fully informed as practicable about the activities of the business and their possible effects before they occur;
- d) two-way discussions cover community issues, needs and priorities as well as the concerns and needs of the business;
- e) a record is kept of all formal and informal meetings that involve commitments, records of agreement and action items with dates and responsibilities for completion;
- f) all communications provided to communities align with overall Group, product group and business communication content, are consistent with the relevant Country Strategy and include External Affairs input where appropriate; and
- g) reporting to host communities of social, environmental and other relevant information occurs in a fit for purpose timeframe, at least annually, and meets their information needs.

Clause 1.4: understand, manage and monitor social impacts

Understand, manage and monitor the social impacts of business activities. In addition businesses must:

- a) use the impact analysis process to identify and realise opportunities, in particular for local and regional economic development;
- b) locate and design all facilities and infrastructure to avoid or minimise negative social impacts wherever practicable;
- c) ensure affected communities participate to the greatest extent possible in social impact assessments;
- d) when carrying out formal impact analyses of major business changes meet the requirements of International Finance Corporation Performance standard (IFC PS) 1 on "Assessment and Management of Environmental and Social Risks and Impacts";
- e) if national regulations are substantively different to IFC PS1 meet the requirements of the higher standard; and
- f) f) where practicable consider engaging with other companies and stakeholders on the management of cumulative impacts.

Clause 1.7: community complaints, disputes and grievance mechanisms

Businesses must have a community complaints, disputes and grievance mechanism that meets the intent of the United Nations (UN) Guiding Principles on Business and Human Rights and is integrated with the business incident management system. In particular the mechanism must:

- a) be publically available, locally appropriate and easily accessible; and
- b) ensure that the complaint, dispute or grievance is addressed and the actions to resolve the matter are recorded and reported within the business.

Clause 1.8: human rights

In relation to human rights businesses must:

- a) ensure site Security and CSP functions collaborate to implement the Voluntary Principles on Security and Human Rights (VPSHR) as they relate to local communities, relevant to local and operational context;
- b) include human rights concerns and issues in social risk analyses and impact assessments, and commission specific human rights risk and impact assessments in high risk contexts;
- c) ensure human rights awareness training is provided to staff, contractors and visitors appropriate to the local context;
- d) report immediately in the business incident management system all actual, suspected and alleged breaches of the UN Declaration of Human Rights that involve community members; and
- e) investigate immediately and resolve all actual, suspected and alleged breaches of human rights that involve community members in line with the Rio Tinto Human rights policy.

Clause 1.9: resettlement

Where unavoidable, physical and economic resettlement must only be undertaken:

- a) in compliance with the IFC PS 5 on "Land Acquisition and Involuntary Resettlement";
- b) such that resettled people, families, communities and their immediate neighbours maintain their social harmony and have their standard of living and livelihood sustainably restored or improved over the long term as a result of the resettlement;
- c) after advice is sought from the global practice leader - CSP; and
- d) with the endorsement of the relevant product group chief executive.

Clause 1.11: compensation

Compensation must be paid to community members for direct, specified and agreed loss caused by business activities during life of operation. Such payments must follow procedures that:

- a) are consistent with established good practice in the region;
- b) are available and accessible to all impacted community members;
- c) follow a transparent process but also ensure details of payments remain confidential;
- d) record all details of compensation payments and recipients and maintain for life-of-operation; and
- e) require the endorsement of the operation's managing director (or equivalent).

Clause 1.13: indigenous peoples (to be read in light of Rio Tinto's position on Indigenous communities, the UN Declaration on the Rights of Indigenous Peoples and Free, Prior and Informed Consent in Why Agreements Matter, Box 1)

In relation to Indigenous peoples businesses must:

- a) operate in a manner consistent with the UN Declaration of the Rights of Indigenous Peoples (UNDRIP) in those jurisdictions that have signed the Declaration, and elsewhere consistent with the Declaration's principles;
- b) strive to achieve the Free, Prior, and Informed Consent (FPIC) of affected Indigenous communities as defined in the IFC PS 7 on "Indigenous Peoples"; and
- c) develop specific agreements with Indigenous groups, in line with clause 1.10, wherever those groups have recognised legal rights or interests coincident with a business's interests.

Clauses 2.2 and 2.3: social risk analysis and integration

2.2 Social risk analysis (SRA) must be maintained at operations and undertaken at project gateways, or as necessary due to changed circumstances. The risk framework detailed in the SRA guidance must be used, with the level of analysis fit-for-context; as a standalone exercise or as part of an integrated business risk analysis. Class III and IV risks and action plans must be entered into the business's risk register.

2.3 The CSP plan must integrate with business planning processes and support whole-of-business delivery of CSP outcomes. The plan must:

- a) have measurable local CSP targets and performance indicators
- b) be developed in collaboration across the business, especially Human Resources, Procurement, Health Safety and Environment, Mine/Plant/Operations/Planning, and specify cross-functional accountabilities; and
- c) be reviewed and updated consistent with the business planning cycle.

Clause 2.8: contractor selection and management

Contractor selection and management must address CSP risks including:

- a) ability to comply with and deliver Rio Tinto and site specific CSP requirements;
- b) applicable local content delivery requirements are included in the scope of work and contract; and
- c) the requirement for codes of conduct (as appropriate) to ensure appropriate behaviour by their employees and sub-contractors.

Clauses 2.10 and 2.11: monitoring

2.10: In order to support annual review and performance improvement there must be a process for measuring and monitoring performance against business CSP targets.

2.11: Business incident procedures must include a methodology for evaluation of community complaints, disputes and grievance with all those assessed as Class III and IV to be reported immediately to the global practice leader - CSP and as an incident.

Social risk analysis guidance note

Section 3: What about human rights risks?

Social risk includes human rights related risks based on potential impacts on the human rights of community members and other stakeholders including employees, suppliers and contractors. The Human Rights guidance note sets out in detail what we mean by human rights. We are expected to not harm human rights through our own activities or through our business partners, including suppliers and contractors. Examples of human rights risks we might face range from the risk of the company being complicit in excessive force used by private security providers to the risk of the company not respecting the rights of indigenous peoples.

Greater scrutiny now exists from civil society, investors, local communities, business partners and other stakeholders around how we are identifying and managing potential human rights impacts. Consideration of human rights risk therefore needs to be an integral part of all SRA.

For scenarios of high human rights exposure, human rights risk analysis should be explicit and cover community and stakeholder considerations including risks relating to human rights impacts on employees and contractors. Global External Affairs can assist in helping to decide if the scenario has a high human rights exposure – often but not always this will apply to sites in countries with significant human rights challenges - and linking businesses with relevant expertise. In these instances an acknowledged human rights expert should be involved and the risk facilitator should be competent in facilitating human rights discussion. A decision may be made to conduct a stand-alone human rights risk analysis or to integrate a human rights discussion into the existing process – for example detailed discussion using the human rights sub-category in the socio-economic impact/ livelihood risk category in Table 3 of Appendix 1.

In scenarios of lesser human rights exposure, the degree of time and attention paid should be relevant to the context. In all SRA, human rights discussion ought to take place. Accordingly, risk analysis facilitators should have a basic understanding of Rio Tinto's human rights approach and most common human rights risks.

Some issues will always be seen and categorised as human rights risks because the very nature of the risk is our potential involvement in a human rights abuse, for example excessive use of force by security, physical including sexual violence, and hazardous child or forced labour. Issues in other discipline areas may have implications for human rights if expected or required outcomes are not secured. Such impacts include impacts on use of water, land including resettlement and cultural heritage. These areas are primarily managed through their respective discipline areas (eg. Environment, CSP and Human Resources), however when considering these areas it is important to discuss whether they could escalate into potential human rights abuses, document that this may be the case and incorporate into management actions. The Human Rights guidance note provides further information and resources regarding this process as well as information regarding stand-alone human rights risk analysis.

If security and human rights risks are identified (specifically risks that the company will breach human rights through our involvement with public or private security providers) Global Security should be engaged to ensure the appropriate implementation of the Voluntary Principles on Security and Human Rights.

Community complaints, disputes and grievances guidance note

Section 1: what are community complaints, disputes and grievance?

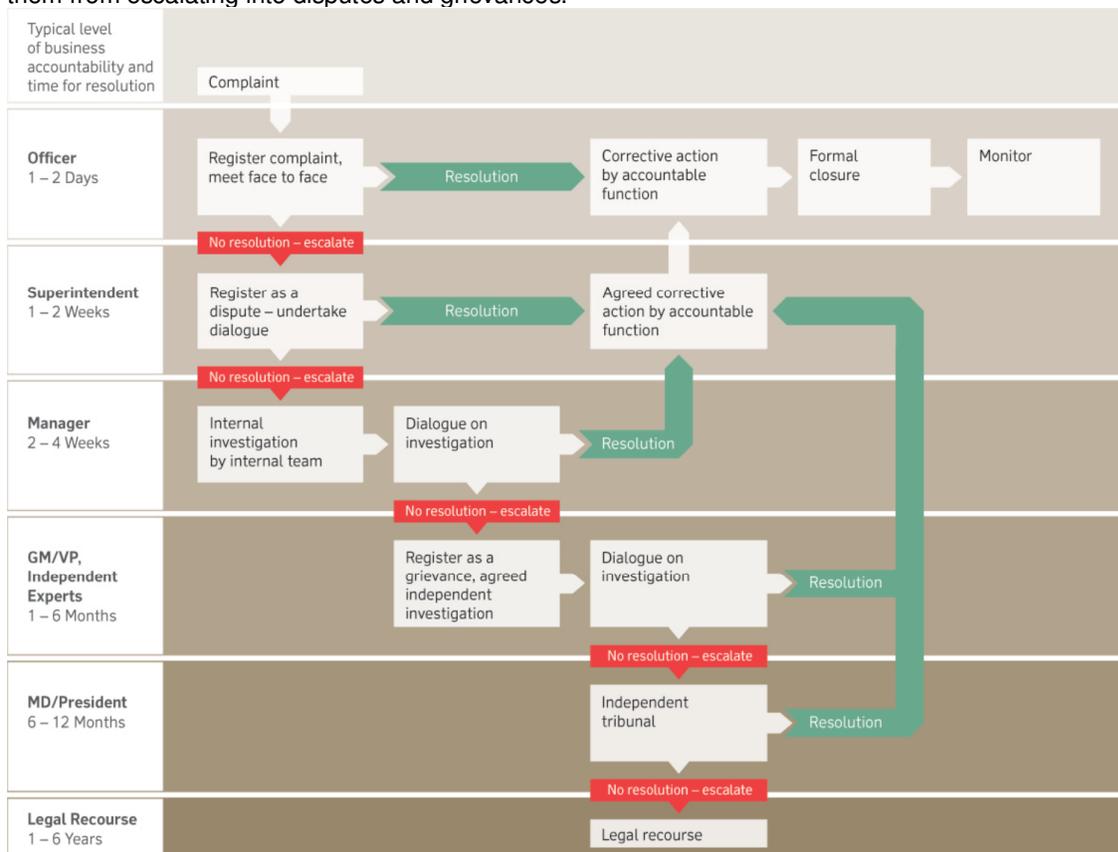
.. To maintain good relationships with communities, it is important that each site has formal processes in place for managing and, where necessary, escalating complaints to disputes and grievances. These processes need to be easily understood, transparent and accessible to community members. The company’s internal processes should not undermine legal mechanisms or attempt to address criminal, labour law and commercial matters.

Section 3: what are the essential criteria of a good complaints, disputes and grievance process?

.. Rio Tinto businesses should base their community complaints, disputes and grievance processes on the effectiveness criteria for non-judicial grievance mechanisms in the UNGPs.

Section 4: what does a good complaints, disputes and grievance process look like?

The overall process should be similar to the process depicted in Figure 1, and though time frames and other details might vary, prompt, thorough and respectful responses to complaints are a key factor in preventing them from escalating into disputes and grievances.



Resettlement and livelihoods guidance note

Section 1: Why is it important to get resettlement right?

... The UN Declaration of Human Rights states that all persons have a right to viable livelihoods, an issue that often arises in relation to physical and economic resettlement. Other internationally recognised human rights, including the right to education, the right to clean drinking water and sanitation, freedom of movement and the right to food may also come into play in a resettlement situation. There is evidence that resettlement impacts can reach, or be perceived to reach the level of human rights impacts. As such, the human rights implications of resettlement need to be fully understood, and scrutiny by third party stakeholders, including leading NGOs is to be expected.

Section 3: Key principles of successful resettlement

Resettlement should always be considered as a high impact event for affected persons. Success requires the attention and understanding of the whole of the site team, the CSP function alone cannot ensure success. The extent and duration of resettlement impacts can be reduced through the careful and consistent application of a number of core principles. (IFC, 2012): .. avoid or minimise; livelihoods and living standards; eligibility; consultation and engagement; compensation; resettlement planning and responsibility; internal processes.

...

Resettlement action plan

- A Resettlement Action Plan (RAP) should be sufficiently comprehensive that all resettlement impacts are managed and monitored. Note: In most jurisdictions the implementation of the environment and social impact assessment (ESIA – see Projects ESIA guidance) process will need to be integrated with the RAP development and implementation. Expert consultant advice is recommended.
- Rio Tinto should consider itself responsible for the resettlement process, even when it is government-run. Working alongside the relevant government authorities and highlighting Rio Tinto's approach and expectations regarding resettlement outcomes is particularly important when government capacity is limited and/or the national resettlement legislation lags behind international best practice (as captured within IFC PS 5).

...

Eligibility

- Make sure that all displaced persons receive compensation, regardless of their formal land tenure status or otherwise, excluding people who stay on the land after a suitably publicised cut-off date (to be determined in accordance with local legislation and not always applicable).
- Displaced people are not a homogenous entity. Where applicable, develop different categories of compensation for different categories of impacted people, in accordance with local legislation and consenting authorities. Give particular attention to vulnerable groups who may feel the impacts of resettlement more severely than others.

...

Compensation

- Provide just and fair compensation for all lost assets, at full replacement cost (See Compensation and benefits for land access guidance). At a minimum, the compensation should recognise local legislation requirements and enable the affected households to fully restore their standard of living and their income-earning capacity to pre-resettlement levels. Wherever possible, in kind compensation should be provided instead of cash compensation (e.g.: like for like replacement of land and buildings). If households earn their living off the land, preference should be given to land-based compensation. For those whose livelihoods depend on natural resources, continued access to those resources should be provided for, or alternative resources that will provide the same amount of income or livelihood-earning potential. It is important to realize that household livelihood strategies are multi-faceted and may depend on both urban and agrarian activities, formal and informal sector participation, and are shared between generations and genders within a household.
- The affected people should receive all or a significant proportion of compensation for their assets and be resettled before work begins on the acquired land. In some instances, it will be appropriate to pay compensation at regular intervals for the life of the project, recognising that resettled people may be unfamiliar with large amounts of cash and/or regard the compensation as 'rent' for on-going use of land. In all cases, compensation packages and payments need to be clearly documented and signed by all relevant parties in the appropriate language (see Guidance compensation for land access and livelihoods)

...

The Communities and Social Performance and project team needs to be resourced adequately, particularly during prefeasibility and feasibility. The implementation of the RAP during feasibility entails activities such as replacement land acquisition, negotiated settlements, the construction of houses and social infrastructure, the physical relocation of households, etc. The Communities and Social Performance team will require both human and financial resources to manage data, administration and records, and a field team accountable for engagement and negotiations with affected persons. Consultants will be required for both planning and specific technical implementation tasks.

Compensation for land access and livelihoods guidance note

Section 3: how to determine who should be compensated

Determination of compensation cannot be considered in isolation of wider CSP programmes and business context. Some of the studies key to the generation of information necessary to assess compensation rates and volumes include household and asset surveys, market price studies, socioeconomic baseline and impact assessments. As part of a project's knowledge base, a land study conducted by professional social and natural scientists, incorporating social mapping, ethnographic, ethnobotanical, agricultural economics and other studies as necessary, is required during pre-feasibility for most aspects of a project (see Social and economic knowledge base guidance). The land studies should feed into decision-making for the overall project design. ... Community participation and input to the land study is essential. For example, boundary identification may need to be verified by adjoining landowners if there is no cadastral survey in place. Information should be recorded in a database and should be verified by relevant community members, government and, in some cases, independent third parties.

Section 5: how to determine the amount of compensation

Various factors must be considered when calculating how much compensation is due. Again the general principles outlined below need to be applied sensibly in the local context. The factors that most influence compensation values include:

- official government compensation rates;
- compensation payments made by other enterprises within the last five years that might constitute a precedent / established good practice locally;
- the prevailing and the average market price for produce in the last five years;
- validation of non-monetary value of land;
- customary and traditional forms of ownership (owners versus non-owner users);
- social disruption and loss of status as a result of loss of land, assets or property;
- the appropriate medium of exchange, including assessing the impact of cash; and
- replacement value for future generations (in certain cases).

Section 6: distribution of compensation payments

.. Women should participate fully in the negotiation and distribution of compensation and benefits. Irrespective of the formal, legal or customary public status of women in a host society, in many cultures and communities women are responsible for managing household budgets and have considerable economic responsibilities.

Rio Tinto report to the Voluntary Principles Initiative for 2017

Section 1: commitment and endorsement

To avoid human rights violations through our security arrangements, we continue to conduct security and human rights analyses of our security operations, and we ensure relevant employees and contractors are trained in accordance with these principles. We provide practical guidelines, toolkits, and training on implementing the VPSHR. Our online VPSHR training is also mandatory for all security personnel at high-risk sites, and is strongly recommended for all other Rio Tinto businesses. Security and human rights training is also included in our Human Rights Training Programme for our business leaders and managers.

We also impose strict controls on the use of force and minimise the use of armed security on our sites. We work with external stakeholders, as well as public and private security forces, to promote understanding and implementation of the VPs and take steps to avoid security arrangements at our sites contributing to human rights harm, including through misuse of our equipment and facilities.

In 2017, for the purposes of implementing the VPs, Rio Tinto Group Security and Business Resilience (GSBR) employed two people that were dedicated to supporting sites and all our site persons responsible for security with VPs implementation, supporting conflict prevention, and continuing to strengthen Rio Tinto's security and human rights governance framework. GSBR is also part of a cross-functional human rights working group, and works closely with our Corporate Relations team implementing Rio Tinto's human rights approach more generally.

Section 4: efforts to promote awareness of the Voluntary Principles throughout the organisation, including within the value chain

2017 efforts to promote awareness of the VPs throughout the organisation included:

- Ongoing site visits and engagement with high risk sites on security and human rights issues by our GSBR team
- Supporting priority sites with security risks analysis and management (inclusive of security and human rights risks)
- Delivering and maintaining VPSHR training for business leaders, persons responsible for security, private security personnel, and public security forces (see Section B and C for details)
- Conducting security and human rights workshops with newly appointed site persons responsible for security (security managers) – specifically on security and human rights governance, requirements, guidance notes, and tools
- Providing guidance to sites and business resilience teams (BRTs) on conflict prevention and mitigating security and human rights risks (e.g. South Africa, Guinea, Namibia, Madagascar, Jamaica, Peru, Indonesia, etc.)
- Supporting sites with the vetting, selection, contracting and training of private security providers
- Developed our new Security assurance protocols that will be used to assess site compliance on *Rio Tinto Security Standard* implementation (inclusive of security and human rights requirements)

Section 6: relevant policies, procedures, and/or guidelines

Further to our Human rights policy and The way we work, implementation of the VPs is supported by the following:

- The *Rio Tinto Security standard*: Outlining the Group-wide requirements to protect our people, assets, information (non-digital) and reputation from a criminal or intentional malicious act, in a manner that supports implementing the VPs and respecting the rights of those affected by our security arrangements.
- The *Rio Tinto Security and safety weapons and firearms group procedure*: Specifying the mandatory site requirements for formal authorisation, management, strict control, and mitigation of the risks associated with the presence and use of weapons and firearms for security and/or safety purposes.
- The *Rio Tinto Security and human rights guidance notes*: Providing guidance on effective and risk-based implementation of the security and human rights principles (VPSHR and use of force, weapons and firearms) wherever Rio Tinto operates. Specifically, our *Security and human rights guidance notes* oblige our sites to implement the performance objectives and key performance indicators relevant to their security arrangements.
- Our Communities and social performance (CSP) standard: Guidance and processes on social risk analysis and environmental and social impact assessment make it clear that security and human rights risks should be included as part of community and social performance practices. Since August 2015, all Rio Tinto operations are required to set CSP targets, including that by 2020, all sites will show:
 - Progress against a locally defined target that demonstrates the local economic benefits of employment and procurement of goods and services; and
 - Effective capture and management of community complaints with year-on-year reduction in repeat and significant complaints.
- The *Know your supplier procedure*: A standardised integrity due diligence process to identify the potential legal, ethical or reputational risks of engaging or renewing a supplier, including around human rights.
- The *Rio Tinto Security and human rights toolkit* comprising of:
 - Tools:
 - Options for security equipment and use of force
 - Steps to compile a weapon and firearm control policy
 - Crowd control and the UOFWF
 - Steps to conduct security firearm decision reviews
 - Steps to conduct weapon decision reviews
 - Compiling VPSHR and UOFWF training plans
 - Implementing weapon and firearm control measures
 - Drafting an MoU
 - Templates:
 - Security weapon application and authorisation form
 - VPSHR and UOFWF training plan for private security
 - Weapon and firearm control policy
 - UOF continuum
 - Security & human rights addendum

Checklists:

- Private security weapon controls
 - Private security weapon and firearm controls (on-site)
 - Private security weapon and firearm controls (for armed response providers)
 - Public security weapon and firearm controls
- Rio Tinto *Security and human rights training* (see Section C for details)

Section 8: company procedure to conduct security and human rights risk assessments, and integrate findings

... Interviews are also carried out with key external stakeholders, such as local government officials, local police and military commanders, local community leaders, NGOs and others, in consultation with members of the Communities & Social Performance team, Corporate Relations, and the site person responsible for security.

Mandatory annual site security risk analysis and management requires our sites to identify risks linked to abuse of force, weapons, firearms, and potential human rights abuse⁴.

Our risk assessment methodology also involves the collection and review of relevant information, and the use of a multi-disciplinary team comprising of site representatives from different relevant areas (e.g., Communities and Social Performance, Human Resources, HSE, Security, Operations, Procurement, and Security contractors (as required by the local context)) to help analyse security risks, as well as identify and analyse the potential for violence, conflict, and security and human rights abuses.

Section 12: VPs considerations in the selection of private security providers and formulation of contractual agreement with private security providers, as well as arrangement with public security forces

Rio Tinto's *Security supplier management guidance notes* expands on Rio Tinto procurement and supplier management requirements, and gives further guidance to sites on engaging with suppliers providing security-related services under a contractual agreement. ...

Our sites are further responsible to ensure that all contractual agreements with security suppliers include clearly defined roles and responsibilities of both Rio Tinto and the supplier, as well as the competencies and training required. Contractual agreements with suppliers providing guarding services will also include a mandatory signed *Security and human rights addendum* (in use since December 2015) to be respected by the security provider, with specific focus on security and human rights training requirements, technical skills and proficiency, ethics and conduct, as well as controls for the use of force, weapons and firearms by private security personnel. In addition, we hold all security suppliers to our new Supplier code of conduct.

GSR continues to support sites (as needed) with the selection and contracting of private security suppliers. ...

Before implementing a decision to provide support to a public security force, the plan must be agreed by Rio Tinto's Head of Group Security and Business Resilience and our Executive Committee. Any support Rio Tinto provides to public security forces, including support arranged or delivered through third parties, must be limited to accommodation, offices or storage facilities, basic living necessities, transportation, non-lethal equipment, and non-military/police style training support.

Support to public security must be part of a written protocol (also known as a Memorandum of Understanding (MoU)) between the site and the appropriate public security organisation(s). The protocol must be drafted by the site's legal team and include all aspects set out in our *Security and human rights guidance notes*.

Support to public security forces must also be developed in collaboration with the site's Community & Social Performance team to ensure the communities strategy and programmes are aligned with short-term security needs and longer term development of a community-based security approach.

Section 14: company procedure to review progress on implementing the VPs at local facilities

In 2015, a security and human rights audit was requested by the Board of Rio Tinto. This audit was conducted by Rio Tinto Group Audit and Assurance with assistance from KPMG, and an independent subject matter specialist. The audit considered the Group's overall design and effectiveness of governance and internal controls to manage human rights risks relating to security arrangements. Findings of this audit showed that Rio Tinto's overall internal control on security and human rights is 'satisfactory'. 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 GSBF guidance and Site assurance visits and firearm decision reviews documents
- A need for risk assessment and consistent authorisation processes supporting 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
- More informative security training for management of high-risk sites

All control weaknesses identified were addressed during 2015 and 2016 and used to strengthen Rio Tinto's security and human rights control framework.