

## **Rio Tinto Group Social and Environment Review 2003 - 2005**

### **Terms of Reference for Independent External Assurance**

#### Overall Objective

To enhance the transparency and accountability of Rio Tinto's performance on social and environmental issues by providing external assurance on the relevance, completeness, accuracy and responsiveness of the material in the annual Social and Environment Review (2003 to 2005).

#### Tasks

1. During the drafting process that commences in December, assess the Social and Environment Review (2003 - 2005) for relevance, completeness, accuracy and responsiveness.
2. Provide a written assessment of the relevance, completeness, accuracy and responsiveness of the final draft for incorporation and publication in the Annual Social and Environment Review document.
3. Following submission of the External Assurance report, make recommendations for future developments in the external assurance and verification of Rio Tinto's social and environmental policies, programmes and reporting.

#### Activities and Working Methods

1. On the basis of a confidentiality undertaking, the External Assurer(s) will have access to Rio Tinto management personnel and papers, both at the corporate level and at all Rio Tinto managed operations.
2. The External Assurer(s) will visit nine Rio Tinto managed operations each year to assess operational alignment with corporate non-financial policies (as described in Rio Tinto's statement of business practice, The Way We Work), and how this is reported in the Social and Environment Review.
3. The assurance programme will be extended year-on-year to include:
  - 2003: Supervisory staff and community members participating in Rio Tinto's community programmes.
  - 2004 and 2005: non-management staff and members of local communities

The External Assurer(s) will be welcome to seek expert advice on issues encountered in the course of the assurance exercise from people with expertise in the area of social and environmental policies and programmes and their public reporting, following discussion with Rio Tinto on the people to be consulted.

4. The External Assurer(s) will be expected to draw on externally recognised reporting formats, methodologies and performance indicators to the extent that rigorous and appropriate models are available.
4. The External Assurer will provide:
  - a) A note for inclusion in the printed Social and Environmental Review (2003 – 2005) of up to 1000 words in length.

- b) An expansion of the printed note to describe the methodology employed in the assurance process, for inclusion on Rio Tinto's website.
  - c) A full internal report for Rio Tinto that includes comments and recommendations on substantive issues of performance regarding its non-financial accounting and reporting process.
  - d) Summary report of findings from each operational visit, sent to the senior management of those operations.
6. The content of each of the above will be the sole responsibility of the Assurer.
  7. The fees and expenses paid to the External Assurance consultant will be published.
  8. The work will be undertaken for Rio Tinto's Heads of Communication and Sustainable Development, and of Health, Safety and Environment, and will be managed by the Principal Advisor, Group Assurance.
  9. The External Assurer(s) will be required to enter into a formal consultancy agreement with Rio Tinto in a form to be drafted by, and satisfactory to, Rio Tinto.