

## **Rio Tinto Communities standard**

This document sets out Rio Tinto's ***Communities standard***. It provides a basic framework for Group companies to build upon in order to comply with Rio Tinto's Communities policy.

## **Rio Tinto Communities policy**

**We set out to build enduring relationships with our neighbours that are characterised by mutual respect, active partnership and long term commitment.**

**Good management of community relationships is as necessary to our business success as the management of our operations. Good performance requires all of us to accept responsibility for community relationships. We detail local arrangements in rolling *Five year communities plans* which all operations submit and update annually. The plans are set within the context of this policy and apply throughout the life cycles of the Group's activities.**

**Mutual respect depends on our understanding the issues that are important to us. Wherever we operate, we do our best to accommodate the different cultures, lifestyles, heritage and preferences of our neighbours, particularly in areas where industrial development is little known. Our communities and environment work is closely coordinated and takes account of peoples' perceptions of the effects and consequences of our activities.**

**We promote active partnerships at international, national, regional and local levels. These are based on mutual commitment, trust and openness. Our relationships with communities involve consultation to open new facilities, to run existing ones and to close them at the end of their productive lives. In doing so, we support community based projects that can make a difference in a sustainable way without creating dependency. We also assist regional development and training, employment and small business opportunities. In developing countries, we are often asked to support health, education and agricultural programmes and, in collaboration with others, we help where practical.**

## **Rio Tinto Communities standard**

Rio Tinto's *Communities standard* sets out a basic framework for implementing the *Communities policy*. All Rio Tinto managed activities, projects and businesses, are required to develop their own, locally designed community relations programmes for maximum effectiveness, building upon this framework. Businesses should examine the adequacy of existing systems and activities and then augment what exists, if necessary, to conform with the standard.

Most existing businesses will already be in conformance with this *Standard*. Acquired businesses will have two years from the date of acquisition to conform to this *standard*.

To assist with implementation, guidance notes have been issued to provide additional background and information. Further guidance and/or guidelines will be issued in response to emerging issues.

Advice and assistance is available from Rio Tinto's community relations specialists.

### **1.0 Communities standard: REQUIREMENTS**

- 1.1 **Five year communities plans** should:
- (a) describe the communities directly affected by the business;
  - (b) be developed and maintained as a result of baseline community assessments;
  - (c) reflect the results of consultation with communities as well as the concerns and priorities of the business;
  - (d) be linked to and support the business' sustainable development framework;
  - (e) assess community related risks and opportunities over a three or five year period;
  - (f) present a rationale for initiatives that have been agreed with the communities;
  - (g) outline desired outcomes from the communities programme over a three or five year horizon;
  - (h) detail budget, personnel and contingencies;
  - (i) be updated annually; and
  - (j) be discussed with the business' management team and signed off by its senior manager.
- 1.2 **Baseline communities assessments** should be conducted and updated so that significant changes can be assessed. The assessment should:
- (a) identify those communities who are directly affected by the business;
  - (b) detail the key social, environmental, and economic factors that shape life in identified communities;
  - (c) describe land use and ownership practices, employment, leadership roles and ways in which important decisions are made;
  - (d) provide pertinent data on demography, family and individual well being as well as the nature and extent of poverty;
  - (e) identify the drivers of social change in order to track trends that could result in significant changes regardless of the presence or absence of the business; and
  - (f) identify potential risks and opportunities to communities from the business' presence and how these might be avoided or secured.

- 1.3 **Mutually accepted and understood consultation procedures** should be designed using baseline information. These consultation procedures should be transparent, inclusive, culturally appropriate and publicly defensible. Consultation procedures should ensure that:
- (a) community decision making reflects established conventions and protocols, supplemented if necessary by additional mechanisms for inadequately represented, marginalised or vulnerable groups;
  - (b) identified communities are as fully informed as practically possible about activities of the business and their possible effects;
  - (c) two way discussions cover community issues and priorities as well as the concerns and needs of the business; and
  - (d) a record is kept of all formal and informal meetings, including the extent to which there has been mutual understanding and/or positions and views of both the business and the community have changed.
- 1.4 **Community assistance**, building on baseline communities assessments and community consultation, should be supported. Such initiatives should encourage self help and avoid dependency. Hence, consideration should be given to how the initiative will be sustained after support from the business ceases or a satisfactory exit is secured. They should also:
- (a) support educational, health or livelihood initiatives that address community priorities;
  - (b) use the comparative advantage of the business to maximise local employment, small business and local contractor opportunities; and
  - (c) facilitate the building of long term skills and knowledge development in partnership with others, including government.
- 1.5 **Cultural heritage should be managed in consultation with relevant communities.** All businesses should:
- (a) compile a list of cultural heritage features with sensitivity to relevant cultural norms;
  - (b) design and site their activities to prevent damage to non replicable cultural heritage wherever possible;
  - (c) if disturbance is unavoidable, seek approval from those for whom the cultural heritage feature has significance; and,
  - (d) report unauthorised disturbance of a cultural heritage feature to Rio Tinto External Affairs.
- 1.6 **Resettlement of communities** should only be undertaken:
- (a) using the World Bank's Safeguard Policy on Involuntary Resettlement as a minimum;
  - (b) after advice is sought from Rio Tinto External Affairs; and
  - (c) with the explicit support of the relevant product group head.
- 1.7 **Legally binding agreements with communities** should be:
- (a) the subject of advice from Rio Tinto External Affairs and the business' Legal department; and,
  - (b) with the support of the relevant product group head.
- 1.8 **Compensation payments proposed** should follow:
- (a) procedures that are consistent with established good practice;
  - (b) advice from Rio Tinto External Affairs; and,
  - (c) with the explicit support of the relevant product group head.
- 1.9 **If a foundation, trust or community fund** is to be established, it should conform with:
- (a) current Group guidance on such instruments; and

(b) advice from Rio Tinto External Affairs.

## 2.0 **Communities standard: MANAGEMENT**

- 2.1 **Internal decision making processes** of the business should consider the potential effects and opportunities of its activities on affected communities.
- 2.2 **Linkages** with other areas of the business should be realised. Of particular importance are human resources, environment, safety, security, land management and procurement.
- 2.3 **Employees** should be given an understanding of, and be made aware, that they are expected to contribute to the business' relationship with its communities. Every employee should receive training as appropriate on relevant local community issues and sensitivities as well as Group and local policies and programmes.
- 2.4 **Contractors** should be:
  - (a) advised of the Rio Tinto Communities policy, standard and associated guidance;
  - (b) briefed on local communities' sensitivities; and
  - (c) required to ensure appropriate behaviour by their employees and sub contractors.

## 3.0 **Communities standard: MONITORING AND REPORTING**

- 3.1 **Indicators** should be developed that reflect community concerns, to help demonstrate the businesses progress and effort in community relations. The indicators should be developed with communities and reported upon on an agreed basis.
- 3.2 **Mechanisms** should be put in place that:
  - (a) track legitimate complaints from community members, follow up and sign off by relevant managers;
  - (b) ensure coordination with environmental or other types of complaints;
  - (c) are maintained throughout exploration, evaluation, planning, development, operation and closure; and
  - (d) record all commitments and agreements.
- 3.3 **A site managed assessment** should be completed against this standard every three years. Suitably qualified professionals should be used for this, one of whom must be external to the business but may be from elsewhere in Rio Tinto or outside the Group.
- 3.4 **A social and environment (or sustainable development) report** should be produced annually by each business. The report should meet the information needs of communities with respect to performance and issues raised during the year.
- 3.5 **Reported or suspected breaches** of the UN Declaration of Human Rights (see the Rio Tinto intranet site and/or *Guidance for managers implementing the human rights policy in The way we work*) should be:
  - (a) thoroughly investigated and resolved; and
  - (b) promptly notified to the relevant product group head and Rio Tinto External Affairs.

## **Definitions - for the purposes of this standard:**

**Agreement** – a legally binding arrangement, usually between a Rio Tinto Group activity and a community or communities, that commits the parties to actions specified in that agreement.

**Baseline communities assessments (BCA)** – studies that provide information on the socio economic status, social structure and opinions of communities. A baseline communities assessment may be updated to monitor social change. For further information, see the Rio Tinto *Baseline communities assessments guidance*.

**Capacity building** – strengthening the skills and ability of individuals and communities to develop and manage their own resources and livelihoods.

**Compensation** – payments made by those causing specified and agreed loss to those who suffer it, in the context of impairment of communities’ land access or subsistence agriculture. For further information, see the Rio Tinto *Compensation guidance*.

**Communities** – those communities identified by the baseline communities assessment that are directly affected by or who can directly affect the business.

**Cultural heritage feature** – a place or object to which is ascribed cultural, spiritual, aesthetic, historic, scientific, research or social significance for past, present or future generations.

**Cultural heritage management system (CHMS)** (previously known as the “Register of Cultural Property”) is a management system that will ensure conformance with the relevant items of this standard.

**Foundations, trusts and funds** – entities created for a specified purpose that might be:

- (a) legally registered statutory bodies in which assets are held in trust and distributed on behalf of beneficiaries; or
- (b) operating units or budget lines that are so defined for business purposes but which are not legally established as such.

For further information, see the Rio Tinto *Guideline on the establishment and management of trusts, funds and foundations*.

**Partnerships** - an alliance with one or more organisations that has the following characteristics:

- (a) written commitment with clear objectives;
- (b) joint development of partnership deliverables;
- (c) sharing of risks and benefits; and
- (d) regular review of the partnership and its programmes.

For further information, see the Rio Tinto *Partnerships guidance*.

**Qualitative data** – descriptive or textual data that usually reflects people’s perceptions or beliefs. Such data is usually collected through interviews.

**Quantitative data** – numerical data that may provide a general statistical understanding of a group. It is usually collected through surveys.

**Resettlement** – the relocation of an identified socio-economic unit, such as a village, community, neighbourhood, etc, to another location. For further information, see the Rio Tinto *Resettlement guidance*.

**Secondary data** – pre-existing or publicly available data that has been collected for another purpose.

**Significant incident** – as defined by Group and product group reporting requirements.

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