

**Terms of Reference
(adopted by the Board on 2 June 2004)**

COMMITTEE ON SOCIAL AND ENVIRONMENTAL ACCOUNTABILITY

I. Membership

Mr R R Goodmanson (Chairman)
Sir David Clementi
Sir Rod Eddington
Mr Y Fortier
Lord Kerr

The Chief Executive Officer and management attend by invitation.

II. Terms of reference

The purpose of the committee is to ensure that Rio Tinto management has in place the policies, standards, systems and people required to meet Group social and environmental commitments.

The committee will review the compliance of Rio Tinto Group businesses with the Corporate Policies set out in *The way we work*, Rio Tinto's statement of business practice, and will provide the necessary clear assurance to the Board for the performance of the Group businesses on these issues.

Specifically, the committee will review the practices and processes in place to manage, in accordance with the standards that may from time to time be set, the following policies:

- **Communities** To build enduring relationships with our neighbours that are characterised by mutual respect, proactive engagement and long term commitment.
- **Employment** To ensure safe and effective working relationships at all levels around the Group. Whilst respecting different cultures, traditions and employment practices, sharing common goals, in particular the elimination of workplace injuries, and demonstrating commitment to good corporate values and ethical behaviour.
- **Environment** Wherever possible, to prevent, or otherwise minimise, mitigate and remediate, harmful effects of the Group's operations on the environment.
- **Human Rights** To support human rights consistent with the Universal Declaration of Human Rights. Rio Tinto respects and will seek to protect those rights in conducting the Group's operations throughout the world.
- **Land Access** To seek the widest societal support for our development proposals including recognition of native title and other property rights throughout the life cycle of the Group's activities by coordinating economic, technical, environmental and social factors in an integrated process.

- **Occupational Health** To strive to protect the physical health and well being in the workplace.
- **Political Involvement** To ensure that businesses do not directly or indirectly participate in party politics, nor make payments to political parties or individual politicians.
- **Safety** To emphasise that safety is a core value and a major priority; to strive towards our goal of zero injuries.
- **Sustainable Development** To ensure that Rio Tinto businesses, projects, operations and products are developed and implemented in line with Rio Tinto's commitment to sustainable development.

III. **Modus Operandi**

To aid the committee's work, it will consider the scope and results of reviews and audits, which, where appropriate, include independent review and verification.

The committee receives regular reports on the implementation of the Group's Corporate Policies from the head of Health, Safety and Environment, the head of Communications and Sustainable Development and from other executive managers as appropriate.

The committee will consider periodically the future development of the issues covered by the Group's Corporate Policies and any proposed changes to the Group's policies and practices.

The committee's focus is on the quality, effectiveness and transparency of management processes and on the adequacy of any standards that may be set. It may also look in detail at specific issues it considers to be of particular importance.

The committee chairman makes regular reports to the Board on matters it has reviewed and minutes of all committee meetings are circulated to all the members of the Board. In line with the requirements of UK combined code, the Board should make an annual assessment of the committee's effectiveness.