

RioTinto

Industry Associations

Our view on the role of industry associations

Industry associations have an important role to play in the policy development process, the sharing of best practice and the development of standards. Industry associations provide us with a leadership opportunity, allowing us to better understand a range of external views and contribute our perspectives and experiences in support of a coordinated approach which benefits business, the economy and society.

We recognise there is increasing stakeholder interest in industry associations and the role they play in policy advocacy.

Each industry association is different. Some industry associations focus on a thematic mandate and promote best practice in a given domain; while other industry associations gather a broader set of companies and represent a sector's interest to government, policy makers and other stakeholders. Our participation across different industry associations will also vary, with more active engagement in associations on issues where we can benefit, influence and add value.

Positions taken by industry associations on a given topic will consider a range of members' views, and the nuance and emphasis of an industry association's position may differ from that of Rio Tinto. Diverse and differing views should be heard in order to support rich and full debate, reach compromises where appropriate, and make progress on solutions to complex issues. We encourage industry associations to engage broadly with other stakeholders (such as investors and non-government organisations). We expect our industry associations to work to employ best practice in their political engagement activity.

In our engagement with industry associations and more broadly, we do not favour any political party, group or individual.

Rio Tinto operates on a politically neutral basis. No political donations are made by the Group. However, in accordance with the United States Federal Election Campaign Act, US employees formed a Political Action Committee (PAC) in 1990 to facilitate bipartisan voluntary political contributions. The PAC operates in compliance with federal and state campaign finance laws.

This document is approved by the Board of Rio Tinto. Responsibility for the application of this document to individual association membership is delegated to management on a 'comply or explain' basis.

The value of industry association membership

Rio Tinto joins industry associations where membership provides value to our business, investors and other stakeholders.

The value of membership and the scope of services provided to members of industry associations varies by industry association for each and may include:

- opportunities to understand a range of views on issues affecting the industry;
- opportunities for Rio Tinto to contribute our perspectives and experiences in support of efficient and effective policy;
- opportunities to share best practices, technical insights and research on safety, health and the environment;
- opportunities to contribute to the development of industry standards;
- cost-sharing among members for the development of technical expertise;
- education and professional development opportunities;
- opportunities to open new markets, improve the operating environment for our assets or create new opportunities for our products that add value for shareholders; and
- engagement with employees or customers across the industry.



Memberships of industry associations are an important part of stakeholder engagement.

Simon Thompson
Chairman



Monitoring of industry association memberships

Recognising that industry associations' views will not always be the same as ours, we periodically review our memberships in individual industry associations. This assessment may include:

- the purpose of the association and the value that the membership may provide to Rio Tinto and its investors;
- appropriate governance structures within the industry association; and
- activities and positions of advocacy of the industry association.

Where significant differences in policy positions arise, we may:

- provide greater clarity on our own policy positions, such as company submissions on policy issues and/or direct engagement with policy makers;
- work as part of that industry association to understand alternative points of view and to seek common ground that enables progress to be made;
- seek a leadership position in the governance body of that industry association to further influence the policies and perspectives of that association; and/or
- ultimately, and if formal dialogue processes appear incapable of resolving such differences in positions, review our ongoing membership of that industry association.

Industry association fees

Membership fees payable to industry associations are often based on either production volumes or revenue, and in some cases are subject to a cap. Generally, the annual subscription fee payable is an aggregate amount – that is, no part of the annual fee is earmarked for any particular purpose or activity. On some occasions, we pay charges in addition to membership fees to industry associations, these are typically for one-off projects or exceptional undertakings.

Our top five industry association memberships by fees are detailed in Appendix A.

Areas of interest

In addition to the information above on our memberships of industry associations in general, we provide particular information in relation to our membership of industry associations and climate and energy policy.

Climate and energy

Climate change presents a significant challenge for the world and for Rio Tinto. Our approach to climate change is set out in full at www.riotinto.com/sustainability/climate-change.

Our positions on key climate and energy policy issues are set out at <https://www.riotinto.com/climate-report>.

Significant progress towards a solution to climate change will only occur where there is broad engagement involving the breadth of experience and opinion from business, governments, investors, civil society organisations and consumers. Government policy that creates the right framework for change is critical, coupled with real business action and societal shifts. Collaboration across countries, industries and society is key to achieving the systemic change needed to meet climate challenges.

Our approach to climate change therefore requires active engagement on climate and energy policy with governments, industry associations, investors and civil society in the countries where we operate.

With our industry associations, we expect any positions and advocacy to be accepting of mainstream climate-science. We encourage our industry associations to challenge themselves to raise their climate ambition and consider how they can advocate for the emissions cuts required to meet the goals in the Paris Agreement. We do not support advocacy for policies that undermine the Paris Agreement or discount Nationally Determined Contributions (NDCs).

We expect our industry associations to align with us on the journey to achieve the goals in the Paris Agreement.

In particular, we expect policy positions and advocacy by our industry associations to satisfy the following elements:

- 1) accept mainstream climate science;
- 2) advance the Paris Agreement goals to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels;
- 3) support governments as they raise the ambition of their Nationally Determined Contributions;
- 4) support market mechanisms, including carbon pricing, that stimulate innovation and cost-effective emissions reductions and minimise competitive distortions within and across sectors and jurisdictions;
- 5) recognise the valuable contribution that renewable energy sources make in reducing emissions, not undermine the role renewables have in the energy mix, and
- 6) ensure that any positions and advocacy on the use of coal do not support subsidies and note that it will require advanced technology, and in the medium to long term must be consistent with Paris targets.

Significant differences in policy positions/advocacy

We list all our major industry associations important to our policy advocacy approach and that take positions on climate and energy issues in Appendix B.

We also provide further information on any of those industry associations whose positions and advocacy on climate and energy policy significantly differ from Rio Tinto's climate and energy elements in Appendix C.

Policy and advocacy alignment

Where our membership is significant, we will work in partnership with industry associations to ensure that their policy positions and advocacy are consistent with Rio Tinto's climate and energy elements.

In accordance with the provisions governing the monitoring of our industry association memberships, we will consider our support and membership of industry associations where they do not partner with us in seeking to advance the above policy agenda.

1. This information supplements information provided in our Climate Change Report and in our annual CDP (Carbon Disclosure Project) submissions on industry associations that take positions on climate change and energy.

Appendix A: Rio Tinto's top five industry association memberships by fees for CY2020

Industry association	Jurisdiction	Purpose	Fee paid (\$US)
1 Minerals Council of Australia (MCA)	Australia	The MCA represents Australia's exploration, mining and minerals processing industry nationally and internationally including its contribution to sustainable development and society.	\$1,930,000
2 Natural Diamond Council (NDC)	International	To protect and promote the integrity and reputation of diamonds, thereby ensuring the sustainability of the diamonds industry	\$1,080,000
3 International Council of Mining and Metals (ICMM)	International	ICMM is dedicated to a safe, fair and sustainable mining and metals industry. They serve as a catalyst for change, enhancing mining's contribution to society.	\$950,000
4 Aluminium Association of Canada (AAC)	Canada	The AAC represents the Canadian primary aluminium industry and strives to ensure that the Canadian primary aluminium industry is considered a world-class model of sustainable prosperity.	\$590,000
5 Chamber of Minerals & Energy of WA (CMEWA)	Australia (Western Australia)	CMEWA represents members across mining, oil and gas and resources sector services, supporting an innovative and competitive Western Australian resources sector, which delivers value to the community and investors while underpinning Australia's economy.	\$590,000

Appendix B: List of industry associations which take positions on climate change and energy

Industry association	Jurisdiction	Purpose	Engagement
<input type="radio"/> Australian Aluminium Council (AAC)	Australia	The AAC represents the aluminium industry in Australia. Through its technical group, the AAC develops and maintains material specifications, standards and other technical data.	A Rio Tinto representative is a member of the board. Rio Tinto Aluminium is one of the major participants in this organisation.
<input type="radio"/> Australian Industry Greenhouse Network (AIGN)	Australia	AIGN is a network of industry associations and individual businesses which contribute to the climate change policy debate and see value in joint industry action on climate change, to promote sustainable industry development.	Rio Tinto participates in the monthly AIGN meetings.
<input type="radio"/> Business Council of Australia (BCA)	Australia	The BCA provides a forum for the chief executives of Australia's largest companies to promote economic growth and social progress in the national interest.	A Rio Tinto representative is a member of the board. We actively participate in the energy and climate change working party.
<input type="radio"/> LNG Marine Fuel Institute (LNG-MFI)	Australia	LNG-MFI is a not-for-profit organisation established to promote and advocate the use of LNG as a primary fuel for marine transportation.	Rio Tinto is an Institute Tier 1 member.
<input type="radio"/> Minerals Council of Australia (MCA)	Australia	The MCA represents Australia's exploration, mining and minerals processing industry nationally and internationally including its contribution to sustainable development and society.	A Rio Tinto representative is a member of the board. We actively participate in the energy and climate change standing committee and continue to be engaged with the MCA's climate and energy position.
<input type="radio"/> Queensland Resources Council (QRC)	Australia (Queensland)	The QRC is an independent body representing the commercial developers of Queensland's minerals & energy resources.	Rio Tinto is a member company as well as a participant in a number of working groups and standing committees.
<input type="radio"/> Chamber of Minerals & Energy of WA (CMEWA)	Australia (Western Australia)	CMEWA represents members across mining, oil and gas and resources sector services, supporting an innovative and competitive Western Australian resources sector, which delivers value to the community and investors while underpinning Australia's economy.	Rio Tinto currently holds the presidency of CMEWA and has a position on the CME Management Committee and Executive Council. Rio Tinto also has membership of various committees, working groups and reference groups, such as the climate policy and energy efficiency reference group.
<input type="radio"/> Aluminium Association of Canada (AAC)	Canada	The AAC represents the Canadian primary aluminium industry, and strives to ensure that the Canadian primary aluminium industry is considered a world-class model of sustainable prosperity.	A Rio Tinto representative is a member of the board and Rio Tinto is one of three major members of the association.

No significant difference in stated policy positions or advocacy exists

Significant difference in stated policy positions or advocacy exists

Industry association	Jurisdiction	Purpose	Engagement
<input type="radio"/> Business Council of Canada (BCC)	Canada	The BCC brings business leaders together to shape public policy in the interests of a stronger Canada and a better world.	Rio Tinto is a member of the BCC.
<input type="radio"/> Canadian American Business Council (CABC)	Canada	Issues-oriented organisation dedicated to elevating the private sector perspective on issues that affect Canada and the United States. Activities include high-level briefings on issues of current concern, assistance with practical trade and policy challenges, significant networking opportunities, and seminars.	A Rio Tinto representative is a member of the board.
<input type="radio"/> Canadian Chamber of Commerce	Canada	Broad-based business association that advocates for public policies that will foster a strong, competitive economic environment that benefits businesses, communities and families across Canada.	A Rio Tinto representative is a member of the board.
<input type="radio"/> Canadian Electricity Association (CEA)	Canada	The CEA provides a range of innovative programs and services in addition to delivering a coherent industry viewpoint to decision makers on critical policy and regulatory issues.	A Rio Tinto representative is a member of the board as well as the generation and transmission councils.
<input type="radio"/> Canadian Steel Producers Association (CSPA)	Canada	CSPA is the national voice of Canada's steel industry.	Rio Tinto Fer et Titane is a member of the board of CSPA.
<input type="radio"/> Mining Association of Canada (MAC)	Canada	MAC represents the Canadian mining industry in promoting the industry; working with governments on policies affecting the sector; and educating the public on the value mining brings to the economy.	A Rio Tinto representative is a member of the board, as well as a member of the executive committee of MAC.
<input type="radio"/> The Business Council of British Columbia (BCBC)	Canada (British Columbia)	The Business Council of British Columbia is a collaborative, non-partisan organisation that produces public-policy research and advice on issues to enhance BC's competitiveness and prosperity.	Rio Tinto is a member of BCBC.
<input type="radio"/> Association Minière du Québec (AMQ)	Canada (Québec)	AMQ represents mining companies producing metals and minerals and their constituent mines, metallurgy companies, mining contractors and junior mining companies established in Québec.	A Rio Tinto representative is a member of the board.
<input type="radio"/> Association Québécoise des Consommateurs Industriels d'Électricité (AQCIE)	Canada (Québec)	AQCIE represents the largest consumers of electricity for industrial purposes, including agrifood, aluminium, petrochemicals, pulp and paper, primary metal processing, chemicals and non-metallic mineral products.	A Rio Tinto representative is a member of the board.
<input type="radio"/> Manufacturiers et Exportateurs du Québec (MEQ) / Canadian Manufacturers and Exporters (CME)	Canada (Québec)	Represents the interests of Canadian manufacturers and exporters. Focus is to enhance the productivity, trade and export, energy and environment, leadership development, safety and more for their partnership members.	A Rio Tinto representative is a member of the board.

No significant difference in stated policy positions or advocacy exists Significant difference in stated policy positions or advocacy exists

Industry association	Jurisdiction	Purpose	Engagement
<input type="radio"/> Fédération des chambres de commerce du Québec (FCCQ)	Canada (Québec)	The FCCQ represents more than 50,000 companies operating in all sectors of the economy and throughout Québec. Supports the development of businesses from all economic sectors and regions.	A Rio Tinto representative is a member of the board.
<input type="radio"/> Consejo Minero	Chile	The Mining Council is the trade association that brings together the 18 largest mining companies in Chile, to promote the development of the mining sector and its environment.	A Rio Tinto representative is a member of the board and Rio Tinto participates in subcommittees; including on energy and climate change.
<input type="radio"/> Eurometaux	EU	Eurometaux represents the interests of the combined non-ferrous metals industry towards EU policy makers. It aims to promote sustainable production, use and recycling of non-ferrous metals in Europe; as well as a supportive business environment for members.	Rio Tinto is a member of the champion energy and climate change committee.
<input type="radio"/> European Aluminium Association	EU	The European Aluminium Association is an industry association in Brussels representing 80+ member companies and advocating at the EU level for the European aluminium value chain.	Rio Tinto Aluminium co-chairs the innovation task force.
<input type="radio"/> European Roundtable of Industrialists (ERT)	EU	Membership body for large European companies' CEOs. Cover trade, energy, climate change and EU competition law.	Rio Tinto's Chairman is a direct member of the ERT.
<input type="radio"/> European Chemical Industry Council (CEFIC)	EU	CEFIC represent chemical companies across Europe, which account for about 17% of world chemicals production.	Borax Europe Limited is a member of CEFIC.
<input type="radio"/> Business NZ	New Zealand	Business NZ is New Zealand's largest advocacy group for business.	Rio Tinto is a member of the major companies group and the Business NZ Energy Council.
<input type="radio"/> Major Electricity Users' Group (MEUG)	New Zealand	MEUG's purpose is to help members' management of electricity costs and risks; achieving outcomes consistent with competitive markets for the long-term benefit of electricity consumers.	A Rio Tinto representative is deputy chair at monthly meetings.
<input type="radio"/> Minerals Council South Africa (MinCoSA)	South Africa	MinCoSA acts as a principal advocate for mining in South Africa to government, communicating major policies endorsed by its members. It seeks to create a conducive policy, legislative and operating environment that facilitates doubling real investment in mining by 2030.	A Rio Tinto representative is a member of the board.
<input type="radio"/> International Chamber of Commerce (ICC)	UK	The ICC works to promote international trade, responsible business conduct and a global approach to regulation to accelerate inclusive and sustainable growth to the benefit of all. The only global business body with UN observer status.	Rio Tinto is a corporate member and contributes to development of global policy agenda on issues of relevance including international trade, international taxation and regulation.

No significant difference in stated policy positions or advocacy exists

Significant difference in stated policy positions or advocacy exists

Industry association	Jurisdiction	Purpose	Engagement
<input type="radio"/> Aluminium Association (AA)	USA	The AA is committed to advancing aluminium as the sustainable metal of choice around the world. It provides global standards, industry statistics and expert knowledge to member companies and policy makers nationwide and is highly engaged in public policy and technical forums.	Rio Tinto Aluminium chairs the government affairs committee of the AA.
<input type="radio"/> Blue Green Alliance (BGA)	USA	The BGA aims to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer economy.	Rio Tinto is on the advisory board of the BCA but are not members.
<input type="radio"/> US Chamber of Commerce (USCC)	USA	The U.S. Chamber of Commerce represents the interests of more than 3 million businesses of all sizes, sectors, and regions.	Rio Tinto is a member of the USCC's energy and climate change committee, The Chamber previously had significant policy differences to us, as detailed in our 2018 Disclosure. We communicated and engaged with them on their climate change position along with other companies, and they subsequently adjusted their position. They now support US participation in the Paris Agreement, acknowledge that humans contribute to climate change, and call for action to address the challenge.
<input checked="" type="radio"/> US National Mining Association (NMA)	USA	The NMA is a leading voice of the US mining industry and represents all mining sectors.	Rio Tinto has a position on the NMA board and is a member of the newly created ESG task force.
<input type="radio"/> Energy Transitions Commission (ETC)	International	ETC aims to accelerate change towards low-carbon energy systems that enable robust economic development and limit the rise in global temperature to well below 2 degrees Celsius.	Rio Tinto's Chairman is Commissioner at the ETC.
<input type="radio"/> International Aluminium Institute (IAI)	International	The objectives of the IAI are to: i) promote aluminium ii) provide a global forum for aluminium producers on matters of common concern iii) identify issues of relevance to the production, use and recycling of aluminium iv) encourage and assist progress in the healthy, safe and environmentally sound production of aluminium. v) collect statistical and other relevant information vi) communicate the views and positions of the aluminium industry to international agencies and other relevant parties.	An RTA representative is a member of the board. Company representatives chair two of the main committees, and representatives are active participants of several working groups.

No significant difference in stated policy positions or advocacy exists

Significant difference in stated policy positions or advocacy exists

Industry association	Jurisdiction	Purpose	Engagement
○ International Council of Mining and Metals (ICMM)	International	ICMM is dedicated to a safe, fair and sustainable mining and metals industry. They serve as a catalyst for change, enhancing mining's contribution to society.	Rio Tinto's Chief Executive is a member of the ICMM Council. We are an active participant in the climate change and energy working group.
○ International Emissions Trading Association (IETA)	International	IETA's mission is to: i) empower business to engage in climate action, advancing the objectives of the United Nations Framework Convention on Climate Change and the Paris Agreement as informed by IPCC science, and ii) establish effective market-based trading systems for greenhouse gas (GHG) emissions and removals that are environmentally robust, fair, open, efficient, accountable and consistent across national boundaries.	A Rio Tinto representative is Chairman of the board of IETA and co-chair of the international working group.

○ No significant difference in stated policy positions or advocacy exists ● Significant difference in stated policy positions or advocacy exists

Appendix C: Industry associations whose positions and advocacy on climate and energy policy significantly differ from Rio Tinto's climate and energy policy elements

National Mining Association (US)

The National Mining Association (NMA) advocates for national and international mining interests in the United States. Although there are many areas of agreement, on issues such as mining law reform, safety and public land management, there is a significant departure on climate and energy policy positions between the NMA and Rio Tinto as set out in the table below.

Rio Tinto is represented on the NMA board and has communicated Rio Tinto's position on the need to address climate change and recommended that NMA changes its position. Rio Tinto further advocated for the NMA to create an environmental, social and governance (ESG) task force which will guide the NMA's future positioning on these matters. Rio Tinto will help lead this effort in order to better align NMA policy with Rio Tinto policy.

Issue	Association position / advocacy	Rio Tinto's policy element
Paris Agreement	The NMA does not support the Paris Agreement on the grounds that it believes that it would have damaging effects on the US economy.	Advance the Paris Agreement goals to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
Market mechanisms for cost effective abatement	The NMA did not support the Clean Air Act (2008) and campaigned to remove the Clean Power Plan (CPP). NMA believes the CPP would not have had a meaningful impact on climate change and would have resulted in increased electricity costs in the US. It sees government's role as supporting the development of low emissions technology, rather than implementing regulation that would put a price on carbon, due to its damaging effects on the US economy.	Support market mechanisms, including carbon pricing, that stimulate innovation and cost-effective emissions reductions and minimise competitive distortions within and across sectors and jurisdictions.

Other matters

Separate to the above, our 2019 Industry Association Disclosure noted some instances of misalignment between public statements made by the Minerals Council of Australia (MCA) and our industry association and climate change principles. We then worked closely with the MCA to clarify our expectations of industry association advocacy, particularly around climate change.

During 2020, we have seen a positive shift in the position and commentary of the MCA on climate and energy matters, including the release of a Climate Action Plan and improved support for the goals of the Paris Agreement. In 2021 we will continue to engage with the MCA to seek closer alignment with our climate principles and further improve its advocacy governance processes.

In addition, the Queensland Resources Council (QRC) undertook political advocacy in 2020 that was identified as inconsistent with our own policies regarding electoral political processes. We raised this with the QRC and will continue to encourage advocacy in line with our policies. Also, although the QRC did not have significant differences in stated climate and energy policy positions or advocacy, there is scope for improvement.

The logo consists of a red rectangular box containing the text "RioTinto" in white, bold, sans-serif font. The background of the entire page is a solid purple color, with a large, dark purple arrow shape pointing to the right, which is outlined by a thick, lighter purple border.

RioTinto