

Our view on the role of industry associations

We believe that industry associations have an important role to play in the sharing of best practice and the development of standards. Industry associations provide us with an industry leadership opportunity to better understand a range of external views and contribute our perspectives and experiences in support of good policy outcomes which benefit business, the economy and society.

We recognise there is increasing stakeholder interest in the nature of industry associations and the role they play in policy advocacy, particularly where they represent different positions on key issues to those of the member companies they represent.

Each industry association is different. They represent a mix of companies and organisations and often cover multiple policy, business and sustainability topics, including climate change and energy. Our participation across different industry association agendas will also vary, with active engagement in associations on issues where we believe 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. We believe that diverse and differing views should be heard and are an important step in finding compromise that allows progress to be made.

Recognising that an industry association's view will not always be the same as ours, we review the value of individual industry association memberships both prior to joining and when membership is due for renewal. We have [published principles](#) which govern our approach to participation in industry associations.

We are providing additional information on industry association memberships, listing the top five industry groups we engage with by membership fees and the industry groups we have engaged on climate policy issues. This includes detail on where industry association positions on climate change significantly differ from that of Rio Tinto's.

This information will be maintained as part of our public disclosure. It 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 1 lists the major industry associations that are important to our policy advocacy approach and that take positions on climate change issues.

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 for the 2019 calendar year is detailed in table 1.

Table 1: Rio Tinto's top five industry association memberships by fees for CY2019

	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.	\$2,095,000
2	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.	\$1,239,000
3	Diamonds Producers Association (DPA)	International	The DPA protects and promotes the integrity and reputation of diamonds, thereby ensuring the sustainability of the diamond industry.	\$1,200,000
4	International Copper Association (ICA)	International	The ICA develops and defends copper markets and make a positive contribution to society's sustainable development goals.	\$916,000
5	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.	\$754,000

Our position on climate and energy policies

As pioneers in metals and mining, we produce materials essential to human progress. The metals and minerals we provide are vital for all stages of economic growth in both emerging and developed economies. We recognise the assessment of climate change science and believe that sustainable development requires both continued economic growth and an effective response to climate change. As a result, continuing to drive economic growth, while also responding to climate change, is a strategic issue for us. We aim to be part of the solution by supplying the materials essential to building a low-carbon economy; reducing our greenhouse gas (GHG) emissions; testing and building the resilience of our portfolio; and advocating for policies that advance climate goals.

On the complex issue of climate change, we believe that significant progress towards a solution will only occur where there is broad engagement involving the breadth of experience and opinion from business, governments, investors, civil society organisations and consumers.

We advocate for policy that is consistent with our public climate change position and the principles contained within it. Table 2 summarises these issues. The analysis of industry associations has been undertaken against these principles.

Table 2: Key climate change and energy issues

	Issue	Rio Tinto's position
1	Climate science	Acceptance of mainstream climate science and the fact that climate change is occurring and is largely caused by human activities
2	Paris Agreement	We support the outcomes of the Paris Agreement and the long term goal to limit global average temperature rise to well below 2°C
3	The role of business	Business has a role to play in addressing and managing the risks and uncertainties of climate change
4	Emission reduction and energy targets	It is important to set targets, take action to achieve them, and report on progress against targets
5	Adapting to climate change	We recognise the importance of adapting to climate change by increasing resilience to a changing climate
6	Market mechanisms for least cost abatement	We support the use of market mechanisms, including a market-based price on carbon
7	Competitiveness	Competitiveness issues and the need to minimise competitive distortion within and across jurisdictions is important, especially for emissions intensive trade exposed (EITE) industries
8	Energy Policy	Rio Tinto will promote alignment with its climate and energy policy in its discussions with industry association members

A statement to our industry associations

Climate change presents a significant challenge for the world, and for Rio Tinto.

We produce materials essential to human progress. We aim to do this in a sustainable way and be part of the solution to help address the climate change challenge.

For this reason, we have set the ambition to reach net zero emissions by 2050.

We have an important role to play in advancing climate action, but we cannot do this alone.

We believe that significant progress towards a solution 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. We believe collaboration across countries, industries and society is key to achieving the systemic change needed to meet climate challenges.

We actively engage on climate change policy with governments, industry associations, investors and civil society in the countries where we operate.

We advocate for policies that advance the goal of the Paris Agreement on Climate Change to keep a global temperature rise well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

We are guided by our overall policy position that supports market mechanisms including carbon pricing, as we believe this is the best way of stimulating innovation and achieving emissions reductions at least cost. We see global industry associations as important partners including in advocacy on key policy issues and do not support advocacy for policies that undermine the Paris Agreement or discount Nationally Determined Commitments (NDCs). We expect industry associations to advocate in a manner that accepts 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 commitments in the Paris Agreement.

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

Significant differences in policy positions

US National Mining Association

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 policy positions between the NMA and Rio Tinto as set out in table 3. A Rio Tinto general manager sits as a Board member and communicates Rio Tinto's position on a need to address climate risk and urges NMA to change its position.

Table 3: National Mining Association policy differences

Issue	Association position	Rio Tinto's position
Paris Agreement	The NMA has not supported the Paris Agreement on the grounds that it believes that it would have had damaging effects on the US economy.	Rio Tinto supports the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to well below 2C. We recognise that achieving this goal will require individual jurisdictions to take actions in line with their Nationally Determined Contributions, and raise ambition over time.
Market mechanisms for least cost 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 result 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.	Rio Tinto supports market mechanisms as the best way of achieving emissions reductions at least cost, and supports a market-based price on carbon.

Note that our previous report detailed how the US Chamber of Commerce (USCC) had significant policy differences to us. In 2019 we communicated and engaged the Chamber on its climate change position along with other companies, and in the past year they have adjusted their position. The USCC now supports US participation in the Paris Agreement, acknowledges that humans contribute to climate change, and calls for action to address the challenge.

Advocacy alignment

In April 2019 we issued stronger guidance for our industry associations regarding our expectations in relation to climate change and energy policy advocacy. Our [Industry Associations and Climate Change statement](#) outlines that where our membership is significant, we will work in partnership with those industry associations to ensure that their advocacy is consistent with our own public position and the Paris Agreement. Furthermore, that we will consider our support and membership where they do not partner with us in seeking to advance the policy agenda consistent with the outlined principles, once we have engaged in a formal dialogue process with them.

In reviewing 2019 activities, we have become aware that some of our industry association and climate change principles leave room for interpretation and therefore require clarification, which we will action in due course.

While there is alignment of stated policy positions in accordance with our April 2019 guidance, we have also become aware of several instances of concern regarding misalignment of the advocacy of the Minerals Council of Australia (MCA) (as distinct from stated policy). This includes instances of public commentary and advocacy on thermal coal and decarbonisation that is not technology neutral and is inconsistent with the goals of the Paris Agreement. We do not consider this a material breach and have sought continuing improvement from the MCA to align advocacy with stated policy positions. We have engaged with the MCA to highlight instances of misalignment.

In assessing advocacy, we also found there were statements by the MCA that had not been endorsed through board or member-wide governance. This includes defence of future demand for thermal coal and advocacy that was inconsistent with goals of the Paris Agreement. To mitigate the chance of future misalignment, the MCA will establish appropriate advocacy governance with a set process for future advocacy to ensure alignment with board views and formal MCA policy statements.

During 2019, the MCA has responded with actions including the separation of Coal21 governance (which was sought by several members). We will continue to monitor, review and engage with the MCA on these matters.

Climate change initiatives with industry associations

We are actively involved in climate change and energy policy engagement across the jurisdictions in which we operate, and which are important to us. Part of this involves partnerships with industry associations, and some examples relating to this are set out below.

Energy Transition Commission

In early 2019, we joined the Energy Transitions Commission (ETC); a group of leaders from public, private and social sectors with the goal of accelerating change towards low-carbon energy systems. Simon Thompson, our Chairman, is a Commissioner. The ETC is tackling the challenge of how we reduce emissions from the “hard-to abate” industrial and transport sectors of the economy, including steel – the customer for our iron ore and the source of most of our scope 3 emissions.















Cleaner, Safer Vehicles Initiative at ICMM

















ICMM's Low Carbon Vehicles Initiative aims to promote operational and technological innovation to reduce emissions from mobile mining equipment and increase energy-efficiency with the ambition of achieving greenhouse gas-free surface mining vehicles by 2040. In 2019, we participated in workshops between ICMM members and vehicle manufacturers to make progress towards these goals.




International Emissions Trading Association (IETA)


We work with IETA to 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. We are also working together to 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 currently chairman of the board of IETA, as well as co-chair of the international working group.


Appendix 1 – List of industry associations which take positions on climate change and energy

Industry Association	Jurisdiction	Purpose	Engagement
 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 for those users both within and outside the industry.	Rio Tinto has a position on the AAC board. Rio Tinto Aluminium is one of the major participants in this organisation.
 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.	Rio Tinto has a position on the BCA board. We actively participate in the Energy and Climate Change Working Party.
 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.
 Minerals Council of Australia (MCA)	Australia	The MCA represents Australia's exploration, mining and minerals processing industry nationally and internationally.	Rio Tinto has a representative on the MCA Board and we actively participate in the Energy and Climate Change Standing Committee.
 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 has a position on the CME Management Committee and is a member of the Climate Policy and Energy Efficiency Reference Group.
 Queensland Resources Council (QRC)	Australia (Queensland)	The QRC is an independent body that represents the commercial developers of Queensland's minerals & energy resources.	Rio Tinto held a position on the QRC board until October 2019, and also participate in the QRC Energy and Climate Working Group.
 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.	Rio Tinto has a position on the MAC board.
 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.	Rio Tinto Aluminium is one of the major participants in this organisation.
 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 Business Council of Canada.
 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.	Rio Tinto is a member of the CEA.
 The Business Council of British Columbia	Canada (British Columbia)	The Business Council of British Columbia produces public-policy research and advice on issues to enhance BC's competitiveness and prosperity. The Council strives to be a venue where members, policy experts, elected officials and government decision makers can address problems.	Rio Tinto is a member of The Business Council of British Columbia.
 British Columbia Chamber of Commerce	Canada (British Columbia)	Broad based business organization in British Columbia representing a range of businesses.	Rio Tinto is a member of The Business Council of British Columbia.
 Conseil Patronal de l'Environnement du Québec (CPEQ)	Canada (Quebec)	CPEQ represents Quebec companies on issues related to the environment and sustainable development. It advocates for business and Quebec co-operation on environmental issues.	Rio Tinto is a member of CPEQ.
 Canadian Chamber of Commerce	Canada (Quebec)	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.	Rio Tinto is a member of the board of the Chamber.

Industry Association	Jurisdiction	Purpose	Engagement
 Association Minière du Québec (AMQ)	Canada (Quebec)	AMQ represents mining companies producing metals and minerals and their constituent mines, metallurgy companies, mining contractors and junior mining companies established in Québec.	Rio Tinto is a member of the board of the AMQ.
 Conseil du patronat du Québec Inc. (CPQ)	Canada (Quebec)	The CPQ represents the interests of a broad group of Quebec employers.	Rio Tinto participates in committees.
 Manufacturiers et Exportateurs du Québec (MEQ)	Canada (Quebec)	MEQ aims to promote innovation, exchange of best practices as well as represent manufacturers.	Rio Tinto is a member of the board of the MEQ.
 Association Québécoise des Consommateurs Industriels d'Électricité (AQCIÉ)	Canada (Quebec)	AQCIÉ 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.	Rio Tinto is a member of the board of the AQCIÉ.
 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. Rio Tinto participates in its thematic subcommittees including energy and climate change.
 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 of Eurometaux.
 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 Aluminium Association's Innovation Task Force.
 European Roundtable of Industrialists (ERT)	EU	Membership body for large European companies' CEOs. Areas of focus include trade, energy, climate change and EU Competition law.	Rio Tinto's CEO is a direct member of the ERT. Rio Tinto is a member of the ERT energy and climate working group.
 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.
 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.
 Minerals Council South Africa (MinCoSA)	South Africa	MinCoSA acts as an 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 mining investment growth.	Rio Tinto has a position on the MinCoSA board.
 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 ICC is 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.
 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.
 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's membership at the USCC is focused on advocacy and engagement on market access and trade promotion.
 US National Mining Association (NMA)	USA	The NMA advocates for national and international mining interests in the United States. It represents all mining sectors – coal, hard rock, and others.	A Rio Tinto general manager sits as a Board member and communicates our position on a need to address climate risk and urges NMA to change its position.
 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 BGA but is not a member. Only labour and environment organisations are members.

	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 CEO 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 aims to 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. It also aims to establish effective market-based trading systems for greenhouse gas 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.
	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.

 No significant difference in stated policy positions exist

 Significant differences in stated policy positions exist