Our products help make modern life work
1. Introduction

Rio Tinto recognises the need to better understand both the impacts and benefits of its products across their life cycles. This has resulted in the development of a Rio Tinto product stewardship strategy. This strategy allows for the alignment of business product stewardship policies and programmes with Rio Tinto corporate strategy and provides the opportunity to coordinate the longer-term management of the risks and opportunities for product stewardship across the Rio Tinto group. The product stewardship strategy defines the vision and major objectives of product stewardship in Rio Tinto by drawing together existing programmes and initiatives together with the identification of further work.

In our changing world, new paradigms are emerging in relation to the sale of products so that continued access to markets cannot be assumed. A timely and proactive strategy, designed to address issues that threaten both our licence to mine and market our new and existing products, will allow Rio Tinto to position itself to maintain and grow its markets in the face of stiff competition.

Drivers for a product stewardship strategy include emerging environmental regulations (new chemicals policies and integrated product policy), increased consumer and stakeholder awareness about producers’ retaining some responsibility for their products throughout their life cycles, the potential for reputation building and product branding, and the potential for cost savings. Initial evidence indicates that through building our understanding of product stewardship and how it relates to Rio Tinto products, there is potential for Rio Tinto to differentiate itself from its competitors, enhance its reputation in the market place and become a ‘brand of choice’ for metals and minerals products. This product stewardship strategy aims at ensuring that Rio Tinto can be effectively positioned to maintain and grow its product markets over the longer term.

While considerable commitment is required by businesses to address the product stewardship issues associated with their own value chains there is also a need at the Rio Tinto group level to provide guidance and assistance on issues, threats, risks and market opportunities that cut across the Rio Tinto group. To that end, there is a need for a strategic approach to product stewardship across the Rio Tinto group incorporating clear positions on relevant issues and guidance for implementation at the business unit or communities level.
2. Rio Tinto product stewardship strategy

Rio Tinto defines product stewardship as a programme of action that recognises the need to ensure that products are produced, used and managed at end of life in a socially and environmentally responsible manner in order to support societal goals of sustainable development and commercial goals of sustainable markets.

2.1 Product stewardship position statement

Rio Tinto’s goal is to be recognised as a leader in the industry on product stewardship issues, thus reflecting its commitment to sustainable development, differentiating its products and commercial reputation, protecting its markets and thereby delivering value to the business and to society at large.

As part of this commitment, Rio Tinto recognises that the effective stewardship of products across the value chains, from resource extraction to product recycle or disposal, is crucial. Rio Tinto believes that being a recognised leader and performer in product stewardship issues will create value for our business units through better customer relationships and sustainable market access. Rio Tinto also believes that its products contribute to sustainable development by contributing to sustainable communities, sustainable markets and a sustainable stock of goods that can be used and recycled for centuries to come.

Further, Rio Tinto is committed to managing its processes and products in a responsible manner that balances environmental, social, and economic values for the benefit of society at large. To achieve this goal, Rio Tinto will proactively:

• Assume responsibility for our processes and share responsibility for our products along their value chains
• Manage the natural resources for which we have charge and our processes in an eco-efficient manner to reduce environmental impacts
• Utilise life cycle assessment appropriately across our business units as a means of evaluating potential impacts of our products throughout their life cycle in order to create value for the business units
• Engage with key customers to develop preferred customer-supplier relationships leading to increased value for Rio Tinto products
• Develop product environmental safety and health data, as appropriate, to ensure that our products are safe for the environment and health in all their intended uses. Much of this work will be done in conjunction with commodity and trade associations, though some will be company-focused
• Monitor and evaluate emerging issues and plan for appropriate regulatory and stakeholder engagement
• Develop minimum sustainable development standards over time for major supplier contracts for products delivered to and purchased by Rio Tinto
• Facilitate and encourage recycling of Rio Tinto products where appropriate
• Develop greater awareness amongst our workforce about the value of product stewardship
• Disclose information on our products to insure a high degree of transparency in our business with the public
• Seek the agreement and alignment of all Rio Tinto businesses with Rio Tinto’s corporate position and principles on product stewardship, whilst preserving their freedom to implement these according to their own business specifics.
2.2 Product stewardship principles

1. Product stewardship is part of the way in which we do business and is a key component of sustainable development.

2. Product stewardship involves active management along the value chain to maximise value, minimise waste, conserve resources and to minimise health and environmental impacts of products through their life cycle.

3. Life cycle approaches and thinking can contribute to advancing the understanding, appraisal and management of minerals and metals.

4. Value can be created or destroyed across a product’s life cycle. Value can be maintained by keeping metal and mineral intrinsic properties intact, minimising dissipative uses and by efficient recycling.

5. Continuous improvement in processes and products is key to improving eco-efficiency and minimising health and environmental impacts.

6. Protection of markets and license to market requires active monitoring of health, environment and life cycle issues associated with products beyond the gate as well as proactive engagement with regulators and the public.

7. Downstream and upstream communication is essential to protect market share, evaluate life cycle issues beyond the gate and to create and sustain value.

8. Accountability for stewardship actions includes public reporting on actions taken.

9. Development and disclosure of data on products regarding their potential for health and, environmental effects as well as their safe use is key to maintaining transparency and public trust.

10. A long-term perspective is important to insure the success of our products in the marketplace. Our decision-making will reflect both the need to manage short-term demands and the need to look to the future of all our products.
3. Rio Tinto product stewardship goals and objectives

3.1 Goals

To achieve our goals of:

1. Contributing to societal sustainable development;
2. Sustaining our access to minerals and markets;
3. Demonstrating the benefits of our products and understanding their impacts across their life cycles; and
4. Gaining shareholder value from our product stewardship programme and becoming a recognised leader in the industry on product stewardship and supplier of choice.

Four objectives have been defined which are shown below. These objectives provide a strategic approach for implementation of the product stewardship strategy.

3.2 Objectives

Rio Tinto policy: The way we work

Rio Tinto’s goal is to be recognised as a leader in the industry on product stewardship issues, thus reflecting its commitment to sustainable development, differentiating its products and commercial reputation, protecting its markets and thereby delivering value to the business and to society at large.

Objective 1
Integrate product stewardship into business systems

Objective 2
Secure market access and competitive advantage

Objective 3
Develop and communicate product safety, health and environment data

Objective 4
Engage with customers and stakeholders to create opportunities and enhance reputation

Programme

Outcome

Programme

Outcome

Programme

Outcome

Business decision making process incorporates product stewardship issues

Rio Tinto proactive in assessing and managing threats and opportunities

HSE data available for all products, labels and Safety Data Sheets

Rio Tinto is considered a brand of choice by external parties

Left
Stacked sheets of newly produced copper cathode at Escondida, Chile
The path forward lies in the refinement and implementation of the product stewardship strategy at the business unit level. This will require business units to develop individual, comprehensive approaches that fulfil our commitment to product stewardship and maximise added value to our products and shareholders.

The four objectives have been identified as part of the strategy. Key elements for each objective are presented in Appendix one.

Each of these elements requires different corporate and operational perspectives and plans to achieve the objectives. While the development of product stewardship programmes for various products will largely be driven by businesses the focus on improving public perception and advocating public policy positions will require input from both business and corporate perspectives.

The range of product stewardship issues currently before Rio Tinto presents both opportunities (eg, product branding) and risks (eg, potential market restrictions).

Many of these risks and opportunities are common to other health, safety and environment matters, and reflect the business case for our Group commitment to sustainable development. Long-term business value is delivered through:

- continued licence to operate granted by our neighbours, regulators and society;
- better access to resource development opportunities;
- better access to markets for our products;
- preferred supplier status; and
- product branding
Appendix 1: Strategy objectives and key elements

**Objective one.**
Integrate product stewardship into business systems.

*Key elements:*
- Rio Tinto provides strategic guidance in product stewardship, through the integration of product stewardship into the HSEQ management system
- Rio Tinto encourages the alignment of product groups/business units with the Rio Tinto product stewardship strategy and thereby the development of their own supporting product stewardship policies and programmes
- Rio Tinto and business units are building internal capacity to evaluate and interpret life cycle assessment (LCA) to understand full ‘value chain’ (i.e. the environmental impacts of the production, use, recycling and disposal processes) of Rio Tinto products and to compare gains in eco-efficiency when production processes change or production improvements are made and; to evaluate trade-offs between identified issues. Rio Tinto and business units seek to:
  - understand the benefits and significant environmental impacts of our products along the value chain;
  - develop baseline and progressive life cycle inventories (LCI) on key products, for internal use and to make these available to customers (e.g. through reports, declarations or labels) as appropriate, in line with ISO 14040;
  - utilise LCI information together with technology evaluations to assess production process improvements and process eco-efficiencies, including potential integration of LCI with environmental management systems like ISO 14001;
  - engage with customers regarding their need for life cycle information on Rio Tinto products and with suppliers regarding life cycle information on the products and raw materials they supply to us; and
  - use the information to enhance business reputation and gain leverage in the market place by using the information collected.

**Objective two.**
Secure market access and competitive advantage.

*Key elements:*
- ensure that each business unit has a program to monitor for existing and emerging health, environment, economic and social issues across the value chain of key Rio Tinto’s products:
  - Business units seek to:
    - identify regulations, groups, science-related activities, and technical developments that pose serious threats and opportunities to their operations and markets;
    - prioritise and respond to issues of greatest concern and coordinate with Rio Tinto;
    - implement a programme responding to regulatory and other stakeholder agendas that may threaten product markets or create opportunities in conjunction with Rio Tinto;
    - report on significant health and environmental aspects (ISO 14001) related to products and mining processes;
    - evaluate and fill key information gaps for product in order to deflect market threats and to position for market advantages e.g. through early research;
    - voluntarily disclose information to the public on products placed in the market as a key to maintaining transparency and public trust;
    - engage with customers and suppliers as appropriate to identify opportunities to assess and manage risks (note – so that customer needs are better meet, existing markets were appropriate are protected and supply arrangements can be leveraged);
    - engage with key customers regarding identified market threats to focus efforts in the proper direction;
    - communicate threats and opportunities within and across appropriate business units and with trade associations.
Objective three.
Develop and communicate product safety, health and environmental data.

Key elements:
Business units participate in and develop environmental research programmes where appropriate to ensure that Rio Tinto’s licence to operate (mineral access) and licence to market (market access) is maintained.

Business units seek to:
• identify and search for market opportunities that provide competitive advantage;
• engage with customers and trade associations in order to identify opportunities for product design, product branding and eco-efficiency design that add value to products;
• identify opportunities for product differentiation to gain financial reward; and
• leverage product performance data and Rio Tinto and business unit reputations
• participate in and contribute to trade association programmes where appropriate
• develop appropriate research programmes to obtain data as needed to support regulatory and market issues.

Objective four.
Engage with customers and stakeholders to create opportunities and enhance reputation.

Key elements:
Business units with assistance from Rio Tinto seek to:
• identify strategic priorities and issues
• actively engage with customers, regulatory authorities, policy makers and the public across all levels of the business to ensure each Business unit is viewed as a responsible producer’
• communicate and participate with corporate Rio Tinto programmes aimed at risk/benefit identifications and market access for facilitating internal communication pathways
• report on product stewardship programmes and progress.