



The Ecumenical Council
for Corporate Responsibility

***Rio Tinto – Revisiting the Principles:
A Decade of Corporate Responsibility Reviewed***

EXECUTIVE SUMMARY

This major new ECCR report on the policies and practices of Rio Tinto analyses the extent to which this mining multinational operates in a socially and environmentally responsible way. Analysis is based on the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance* (www.bench-marks.org).

The report acknowledges that in recent years the company has improved its image, developed environmental and social policies, and enhanced transparency. However, issues of serious concern remain, as do areas where ECCR invites the company to provide more information.

Of significant concern is the company's interest in the Grasberg mine, West Papua, Indonesia. The mine has been associated with human rights, environmental and community relations problems. Although it is operated by PT Freeport Indonesia (PTFI) - a subsidiary of Freeport McMoRan Copper & Gold - Rio Tinto retains a joint venture interest.

ECCR believes Rio Tinto has a duty to work with PTFI in ensuring that mining and other operations are carried out responsibly. Rio Tinto has not made clear how it is acting in this case and has appeared reluctant to answer questions from NGOs and research organisations about Grasberg.

Another key issue is the extent to which Rio Tinto's consultation processes before developing new operations take into account the views of local communities. We have heard from community groups that consultations did not give them an adequate opportunity to influence operations or to prevent them from happening if there were a good reason to do so.

The company has faced problems in the past due to poor community relations. ECCR therefore argues that it would be in Rio Tinto's interests to manage consultation processes more inclusively.

The report also asks questions about how Rio Tinto conducts its business in such areas as combating the impact of HIV/AIDS in Southern Africa, promoting the protection of human rights by governments and others with which it has business relationships, and controls to ensure that uranium from its Rossing plant in Namibia does not add to military capabilities.

Other case studies in the report focus on Rio Tinto's former Capper Pass smelter, Kingston upon Hull, UK; the Diavik diamond mine, Yellowknife, Canada; the Eagle copper and nickel project, Upper Peninsula, Michigan, USA; the Jabiluka uranium mine, Northern Territory, Australia; the Kelian gold mine, East Kalimantan, Indonesia; the ilmenite sand mining project in Madagascar; and the Ranger uranium mine, Northern Territory, Australia.

The report contains an interim response from the company to some of the concerns raised.

ECCR hopes the report will be of interest and use to faith-based and ethical investors, business commentators, campaigners and others in assessing the impacts of mining. We hope that investors will use it to inform their investment and engagement strategies with regard to Rio Tinto and other mining companies.

ECCR, *Rio Tinto – Revisiting the Principles: A Decade of Corporate Responsibility Reviewed, 2006; 118 pp.* Printed copies of the report can be ordered at a cost of £12 using the publications order form on ECCR's website (www.eccr.org.uk). Electronic copies can be requested free by emailing info@eccr.org.uk