



Mr Jean Sebastian Jacques
Chief Executive Officer
Rio Tinto Plc
6 St James's Square
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22 July 2020

Dear Mr Jacques,

Follow up to your letter of 28 May 2020

We are writing to you again to follow up on our joint letter to you of 13 May and in reply to your letter of 28 May, taking into account subsequent company responses to individual organisations /signatories on our joint letter.

First, we wish to point out that there has been no further detailed response from the company on Serbia since we sent our letter. More generally, for those who have received a response of some kind, the level of detail of the company's answers does not match the level of detail in the questions sent or address all the issues raised.

Arizona: Resolution Copper

At the company's Shareholder Engagement Session on 8 April, Roger Featherstone of Arizona Mining Reform Coalition pointed out that the Draft Environmental Impact Statement (DEIS) says that the amount of water the Resolution Copper project would use "could be greater than the estimated amount of physically available groundwater."

He said that at the 2019 Rio Tinto AGM, the company indicated that Rio Tinto would meet or better any local laws for the Resolution Copper project but had hedged a bit on whether that meant it would meet or do better than any tailings dam safety laws anywhere in the world. He said that the DEIS shows that none of the four tailings dump locations, including the Preferred Alternative dump location, would be legal in Brazil, Ecuador or China. None of the four alternatives, including the Preferred Alternative, would meet the weak standards for tailings dam safety required by the Arizona Department of Environmental Quality. He said that the severe problems Rio Tinto had experienced in constructing a block cave mine at Oyu Tolgoi in Mongolia suggested that Resolution Copper was an experiment doomed to fail.

You stated that the Final Environmental Impact Statement (FEIS) would be released 'shortly' when the US Forest Service, which is reviewing the proposed project, had announced several days before the AGM that the FEIS would not be released before December of 2021.

Roger Featherstone's statement that the proposed project preferred alternative would impact nearly 16,000 acres came straight from the Forest Service Draft Environmental Impact Statement (DEIS). You stated that the project would not use nearly that much land. Roger insisted that if Rio Tinto has a new proposal that changed the project configuration to use less acreage, you should disclose that new project configuration.

You stated that the proposed project would use a substantial portfolio of renewable energy. Roger Featherstone made clear in our letter of 13 May that this statement was news to him, the public, and the US Forest Service. He noted that the Salt River Project (which would supply electricity for the proposed project) had refused to sign a power purchasing agreement from a nearby mine which had approval from the US Forest Service to build a photovoltaic power station on its waste rock dump. Roger again insisted that if Rio Tinto had any new project design changes, they should be shared with the public and the US Forest Service.

Roger also pointed out that Rio Tinto had completely failed to answer the simple yes or no question: 'Will you save your shareholders the embarrassment and financial losses that are sure to occur with the Resolution Copper project and permanently halt the Resolution Copper project?'

The letter from Andrew Lye of Resolution Copper on 26 June, purportedly a response to our joint letter of 13 May, simply restates the company's position that matters of groundwater availability, renewable energy, water conservation and tailings management are addressed in the draft Environmental Impact Assessment released by the US Forest Service in August 2019. But this is precisely what is in contention. The company has failed to give any detailed answers to Roger's critique of the inadequacies of that document. It has also failed to answer the yes or no question about halting the project. This should be done now before the US Forest Service completes its Final Environmental Impact Statement.

Bougainville: Panguna mine

A letter from the Human Rights Law Centre of 13 May pointed out the inadequacies of the Chairman's answers at the AGM to questions about Rio Tinto's involvement in, and divestment from, the Panguna mine. To date, there has been no response to this letter.

Madagascar: QMM

At the company's Shareholder Engagement Session on 8 April, Eryck Randrianandrasana, National Co-ordinator of Publish What You Pay Madagascar (PWYP MG) and Yvonne Orengo, Director of Andrew Lees Trust UK (ALT UK), who have been collaborating on human rights and environmental issues related to Rio Tinto's QMM mine in Madagascar, raised questions that were already voiced at the 2019 AGM and further communicated, together with relevant studies, at meetings and in correspondence with you up to and during the 2020 AGM. These relate specifically to transparency and governance (social, environmental, etc.) around QMM's illegal breach of an environmental buffer zone at its Mandena site and the contamination of local waterways by the QMM operation. Demands for Rio Tinto to provide reports from the local Malagasy regulator to support its claims to investors and shareholders that the impact of the QMM breach was "negligible" have been consistently brushed aside, including at this year's AGM.

New water data promised by you to PWYP MG and UK, ALT UK and Friends of the Earth last September for March 2020 has only just now been received and is yet to be reviewed. However, questions raised in relation to existing water studies and other related matters, which were sent in a letter on 6 March jointly by PWYP MG and UK, ALT UK and Friends of the Earth, has yet to receive a response.

The ALT UK experience with Rio Tinto echoes the Oyu Tolgoi experience (see below) where, in order to advance dialogue, confidentiality agreements have been demanded before certain data release. It is also observed that data is not released in a timely fashion according to promises made. For example, through two lots of studies between 2018-2019, the QMM buffer breach and

radioactivity studies, the release of promised data sharing by Rio Tinto was consistently three months late and required repeated demands to secure access. The latest water data release has also been delayed, and demands have again had to be repeated.

Moreover, the company has suddenly and unilaterally shifted the dialogue from its HQ in London, where it was initiated by you, to the local subsidiary's office in Madagascar. This contravenes all previous agreements with Rio Tinto to maintain the dialogue with the executive in London, including an annual meeting with you, and questions and information demands outstanding (from as far back as 2018) appear to have been summarily dropped on route.

Mongolia: Oyu Tolgoi mine

Sukhgerel Dugersuren of Oyu Tolgoi Watch asked a number of questions on behalf of local herders about the company's operations at Oyu Tolgoi in Mongolia. Simone Niven wrote to Sukhgerel Dugersuren of Oyu Tolgoi Watch on 25 May in response to questions sent to the company in writing at the time of the AGM. Daniel Worrall, Country Director for Rio Tinto in Mongolia, subsequently met with Ms Sukhgerel, who made the following points.

1. Inadequate response: Rio Tinto's response dated 15 May 2020 does not adequately respond to the written questions. Herders would like to receive answers to their questions backed by technical evidence, not just statements.

2. Disclosure of information: Reports provided by Rio Tinto are statements not backed by technical evidence. For example, the 82% recycle rate of water from tailings does not provide any data on how this number was arrived at. Only in 2019, through the TPC, did Oyu Tolgoi provide some technical reports which Oyu Tolgoi Watch had been asking for over a period of several years. This was done under a confidentiality agreement signed by parties, a blanket agreement that any information obtained through or as part of TPC discussions shall not be made public unless all parties agree. Sukhgerel made clear that Rio Tinto is not compliant with all the IFC's standards or Mongolian law and industry standards and gave an example of Mongolian law that states that any information pertaining to the health of the population should be made public.

3. Oyu Tolgoi is not controlling its subcontractors: the behaviour of subcontractor companies and impacts of their operations on the environment and herders. Daniel Worrall explained that Rio Tinto subcontracts locals as part of its local development and business development efforts implying surprise that there should be discontent among locals. Sukhgerel stated that Oyu Tolgoi Watch and the herders with whom it works expect Oyu Tolgoi to manage its subcontractors to ensure compliance with all standards, including conflict of interest. They had expected Oyu Tolgoi to remind its subcontractors that they may be in conflict of interest in becoming members of the Elected Herder Team but the company had not done so.

Daniel Worrall undertook to look again at our 13 May letter but did not commit to reply or not to reply at this point. He said that Oyu Tolgoi was preparing its sustainability report and would ensure that there is more technical evidence backing any statement or conclusions. We intend to hold the company to this assurance. He offered to meet Oyu Tolgoi Watch once every six months to exchange information. We will also make sure that this happens.

Rhodante Ahlers of SOMO asked the following questions in writing about the Oyu Tolgoi project:

1. Now that the Covid-19 pandemic has shown the importance of public budgets for governments struggling to afford goods and services needed to protect lives, will Rio Tinto abort the UNCITRAL arbitration process and revisit the Oyu Tolgoi Investment Agreement to better meet the needs of the Mongolian people and the protection of the Mongolian environment?

2. When will Rio Tinto carry out the environmental and social impacts assessments for its underground mine construction, operations, and the new tailing storage facility section as per the Resolution #92 of the Parliament of Mongolia (November 2019) as well as the recommendations of the Multidisciplinary Team Report (2017 MDT/IEP, p. 26/2289)?

3. Water is a life sustaining resource in the Gobi Desert. Rio Tinto has failed to disclose water related reports regardless of numerous demands for information on total water balance, water consumption rates for all operational elements, tailings liquids characteristics justifying need for more tailings storage and design plans for new storage cells. When can we expect this information or a written official document justification non-disclosure?

These questions were set out in full in our letter of 13 May. Daniel Worrall, Country Director for Rio Tinto in Mongolia, replied on 26 June that the company will not abort the UNCITRAL arbitration process. At least that was a clear answer, even though an unwelcome one. Rhodante's second question remained unanswered. The answer to the third question was that the Participatory Environmental Monitoring programme established in 2015 provides a structured mechanism to engage with local communities on water concerns and that under this programme 86 herders regularly monitor their wells and share the results with the community via a monthly newsletter. This avoids answering the question, which requests that a range of information be made public by the company - the herders' monitoring of their wells is only one part of the information required.

Serbia: Jadar lithium project

Responses to questions about the Jadar lithium project in Serbia asked at the Shareholder engagement session on 8 April were, as we pointed out in our letter of 13 May, not adequately answered. However, no further response has been received.

West Papua: Grasberg mine

Our letter of 13 May pointed out the inadequacies of the Chairman's answers to questions about Rio Tinto's involvement in, and withdrawal from, the Grasberg mine in West Papua. The point being made in the questions was that, having helped finance the expansion of the Grasberg mine in the metal strip arrangement of which the Chairman spoke, Rio Tinto became responsible for a proportion of the social and environmental damage caused by the mine. This responsibility was presented in the question as legal, moral and financial. In the Chairman's answers on 8 April and in the 22 June letter from Alexandra Guaqueta, the company simply restated its view that it has no continuing liabilities post-divestment. It had worked with operator Freeport 'on a range of issues, given their ongoing management of safety, technical, community, environmental and human rights in relation to Grasberg.' This rather proves the point being made in the questions: as we believe Freeport's performance on all these matters to be entirely inadequate, the fact that Rio Tinto chose to profit from Freeport's management of the mine, deny legal and moral responsibility for the impacts of the mine, and then pull out of the venture and hide behind Freeport's management, demonstrates Rio Tinto's irresponsibility and unwillingness to take responsibility for the consequences of its actions.

In conclusion

The above catalogue of unanswered questions and issues, which have been raised from well informed groups and community representatives about Rio Tinto mines or proposed projects around the world, does not reflect positively on Rio Tinto's assertions that it is committed to positive stakeholder relations. They demonstrate a failure to adhere to values laid out in the company's [2018 statement](#) to the Corporate Human Rights Benchmark as well as its commitments to wider international standards on human rights and transparency including the UN Guiding Principles on Human Rights, Voluntary Principles on Security and Human Rights, OECD Guidelines for Multinational Enterprises and the UN Global Compact, and undermine all efforts to ensure an equitable exchange with mine affected communities.

The company's apparent inability and unwillingness to recognise and address its own weaknesses in relation to transparency and community engagement has led to serious human rights abuses, such as we have seen with the destruction of the 46,000-year-old aboriginal sacred site at Juukan Gorge. To the undersigned, this tragedy is not a new departure but consistent with similar abuses at multiple Rio Tinto sites and undermines claims that Rio Tinto is serious about its social licence.

How will the company address the questions above in a serious and credible way? When can we expect answers? What processes will Rio Tinto put in place to ensure improved accountability as demanded by the many issues raised in this letter and beyond?

We are sure that Rio Tinto will be asking itself some of these questions following the Juukan Gorge events and we, like many of its investors, are also asking these questions and awaiting answers to these and all the detailed questions raised above.

Yours sincerely,

Zoe Lujic of Earth Thrive on behalf of the municipality of Loznica in Serbia.

Keren Adams of the Human Rights Law Centre in Australia.

Ketakandriana Rafitoson of Publish What You Pay Madagascar

Yvonne Orenge of Andrew Lees Trust

Roger Featherstone of Arizona Mining Reform Coalition.

Andrew Hickman of London Mining Network

Sukhgerel Dugersuren of Oyu Tolgoi Watch (on behalf Khanbogd herders)

Rhodante Ahlers, of Dutch NGO SOMO

Richard Solly, London Mining Network

cc. Mr Simon Thompson, Chairman of the Board of Directors, Rio Tinto and Simone Niven, Group Executive, Corporate Relations