

Sinead Kaufman
Chief Executive Minerals
Rio Tinto Plc
6 St James Square
London SW1



Dear Sinead,

8th March 2023

First to mention that the letter of 21st December sent to Rio Tinto was jointly authored and co-signed by PWYP MG and ALT UK. However, you responded “to Yvonne” as if to a singular inquiry from ALT UK. We ask Rio Tinto to be mindful of the *joint effort* in our advocacy for Antanosy communities’ rights, led by PWYP MG and ALT UK, working with a community representative and others.

In this, and in response to your email message of the 16th February, we have consulted with Tahiry Ratsiambahotra and others, and the feedback we are providing to Rio Tinto is based on reports from the ground as well as the gaps we have identified in QMM’s reporting. We urge Rio Tinto to listen and respond fully to our concerns, and to address the following issues arising:

- 1) The group of landowners who requested to meet you in December were caught up in local QMM negotiations. It became clear they had not agreed to, and therefore had not signed the QMM agreement document. In your email of 16th January, you stated you did not want to “re-open the recently completed agreements”. This was perceived as a complicating constraint to organising the exchange. Other constraints were also placed on villagers during the QMM negotiations. See below.
- 2) Agreements produced in December were, according to some, signed by villagers under duress. You have not responded to this or to other related concerns we raised in the 21st December 2022 letter, including reports of illegal detention of villagers, and how this and other reported intimidation may have set a tone for the following talks.
- 3) We still have no clarity about how the Jirama will pay for the compensation sums to landowners, unless they will be first issued by QMM directly and recovered by QMM subsequently. If so, when will this begin?

Agreements developed in January were signed with villagers who were told by QMM they could not show or share them with anyone, thereby curtailing their ability to seek third party independent counsel as to whether their rights and entitlements were being full respected.

- 4) This is not the first time QMM closes down channels of third party, external counsel for villagers. For example, negotiations with Antsotso became the subject of verbal complaint to the then VP of HSEC at Rio Tinto in 2018: villagers were told that if they wanted any support from QMM, they must stop all relations with external parties e.g., a local Human Rights organisation who was acting for the community as a legal witness and accompanying them in their negotiations with QMM. We were assured that new training to the QMM social team would address the human rights failing around QMM’s social engagement. However, there is no evidence in the latest round of negotiations that lessons have been learned.
- 5) It is also a matter of concern that all these negotiations have been advanced by the Director of QMM when the company had no Director of Social Performance in place to ensure compliance with CSP standards.
- 6) We hear reports that one group of leaders felt it necessary to perform ‘mifona’ to QMM (repentance – a practice usually reserved for sins against God) because a member of the community had aired issues about the QMM process on the local radio. This suggests all rights to freedom of expression were curtailed. The real victims of the impacts of QMM operations are vilified, and have to beg forgiveness for expressing their views or concerns publicly. The continued inversion of who is victimised in the situation needs serious attention from Rio Tinto.
- 7) Problems did not cease with signing of agreements. Some villagers who are both fishers and usufructuaries, as is normal in the local context, were issued two cheques. This was because their names appeared on both lists - lists QMM had already approved. However, they were refused payment of both cheques at the bank. It appears that when QMM discovered they had some villagers on the two lists, they then instructed the bank to refuse to pay more than one cheque. Another moment when villagers must face humiliation, loss, and have their expectations and hopes aborted or entitlements diminished.
- 8) We also hear that the authorities at the Fokontany level did not see and approve the final lists.

It remains a concern that the needs and rights of local people to have counsel during this kind of negotiation has not been respected. The presence of a notary does not address, nor guarantee that villagers' rights have been protected during this process.

- 9) That a Malagasy notary was present to minute the meetings is normal, a mere formality. It tells us nothing. This would be expected for any signing of documentation in Madagascar between two parties. It is also not clear who was paying for the notary. If funded by QMM then his/her independence is not assured.
- 10) The absence of an independent representation/counsel for villagers is problematic given the power asymmetry has been so pronounced over so many years, the intimidations and coercion we mention above, and with the force of government and military interventions supporting QMM's position.
- 11) There is no information available about the mentioned "mediator". We assume this was someone appointed by QMM – to confirm. In all events the villagers lacked their own *independent* counsel and were restrained from sharing the information about the negotiations with third parties, contrary to international standards.
- 12) We hear that letters/documents demanding signatures were given to villagers without them having time to reflect upon or seek someone to explain them, the latter being a requirement since most villagers are non-literate and unable to understand written content.
- 13) We also hear that conditions have been attached to the payments and these conditions must be made public/be open to scrutiny in terms of local rights and entitlements. The culture of secrecy built around the negotiations does not foster trust, creates more suspicion, and reinforces the power asymmetry.
- 14) It is not clear that villagers have been given a copy of documents they have been asked to sign – as was also a problem in the first round of QMM compensation related to displacements and the DUP process.
- 15) We understand agreements have been signed privately between individuals and QMM. However, the details of the arrangements should be made available, for audit purposes, together with minutes of meetings and other relevant documentation.
- 16) The continued self-reporting of QMM, both to Rio Tinto Plc and to the public, is not conducive to building transparency and trust. We are not assured that international standards or human rights are being met.

The sums we heard have been offered by QMM in compensation for losses of up to ten years are not reflective of reality. Unless we see evidence to the contrary, we will continue to raise questions publicly.

- 1) We welcome increased fiscal investment into the QMM social programme and the co-creation of projects. This is overdue. It was expected when QMM began operations to anticipate and mitigate losses and lever local people out of poverty. Such was the promise of Rio Tinto to the World Bank and Madagascar in 1995.
- 2) However, projects to replace lost livelihoods is a ***separate issue*** from compensation for actual losses – especially when no substantive or successful replacement livelihoods have been developed by QMM, as has been the case, and a well-documented failing of the QMM social programme.
- 3) As we already expressed, the new programmes may, if done correctly, remediate against *future losses*. They do not compensate for losses *already experienced* during the 2022 fishing ban, or those *accumulated* over ten-thirteen years of QMM's negative impacts on villagers' incomes/livelihoods (e.g., 45% loss of income).
- 4) For example, according to the PGEP, losses and impacts to the fisherfolk following the QMM weir construction were expected to be monitored and recompensed *each year*. To this point alone, we are not reassured that *compensation paid under recent agreements is adequate to meet such losses*.
- 5) Equally, before operations began, villagers were meant to be aware of risks to the change in water quality by the weir, and told not to drink water from the lake. This suggests both education about/access to safe drinking water as a priority in Mandena from the start of QMM operations. We are waiting for updates on whether QMM has delivered the water filtration systems for drinking water to all the affected communes.
- 6) We continue to demand a ***fully independent audit*** of everything related to the grievance process - including audit of the QMM mine tailings dam failures in 2022, the dead fish, water quality studies, and full disclosure of all data for these audits. All the information around these events is related to grievances and complaints and the promise of the May 2022 commission.

We would like to discuss how Rio Tinto would like to proceed with the independent audit/s and ask to be involved with other civil society organisations and the communities in suggesting agencies that we believe could be truly objective and inclusive, and in scoping the framing, approach and methodology of the audits.

- 7) Rio Tinto continues to ignore our requests for independent audits of QMM activity. These requests have not only been raised through our joint advocacy but also by other civil society organisations in Madagascar.
- 8) The company has yet to respond to multiple questions we have sent related to the QMM mine tailings dam safety and tailings management, including in relation to international standards e.g., GITSM. We also have numerous outstanding technical questions about water management and water quality. All of these issues can perhaps be best answered through agreed independent audits.
- 9) It continues to be the case that whatever QMM says, everyone is expected to accept. Rio Tinto defends this self-reporting practice, instead of demonstrating how it is improving parent company oversight. The withholding of the Intersafe report, promised to us a year ago, exemplifies the ongoing reticence of the company towards substantive transparency and accountability.

In this optic, if Rio Tinto is to convince the world it is truly changing, we suggest that independent audits of the critical issues that occurred last year at QMM should not pose a threat to Rio Tinto.

Fully independent audits represent the best way forward: an opportunity to deliver the real transparency that Rio Tinto has repeatedly promised every year since we started this dialogue, and that it also promises to its investors, shareholders and stakeholders. Given QMM's history of poor social engagement, and that QMM has yet to establish a trusted track record in delivery and reporting on its community social performance, the audits would seem a reasonable ask, if not a necessity. Rio Tinto must demonstrate it is serious about delivering the rights and entitlements of local communities and traditional owners in Madagascar, and restore trust from the local to the international level.

Yours sincerely,



Dr Ketakandriana Rafitoson,
Publish What You Pay Madagascar (PWYP MG)



Yvonne Orengo,
Andrew Lees Trust (ALT UK)

cc. Jakob Stausholm, CEO, Rio Tinto Plc