

Driving Human Progress: 2019 Sustainability Highlights

RioTinto



We produce materials essential to human progress – and the transition to a low-carbon economy

46,000
employees

36
countries

60
operations & projects



Our values, experience and history tell us we must work in a way that delivers real, lasting benefits for the owners of our company as well as the wider communities in which we operate. Today, as the world grows more complex, our stakeholders' expectations are changing, and growing, and spanning all aspects of sustainability – climate change to communities.

For nearly 150 years, this company of pioneers has successfully navigated both challenge and opportunity – and succeeded. We are committed to doing so again in this new decade.

Safety remains a core value, and I am pleased to report that we ended 2019 with a strong safety performance, and no fatalities.

This year also marked progress in our work with communities. Nearly three decades ago, we led our industry's support for recognition of Native Title – Indigenous Australians' right to land – which led to the current practice of agreement-making with Indigenous

peoples around the world. In 2019, we were pleased to sign several important agreements with Indigenous groups in Australia and Canada, maintaining our ability to access valuable resources, and preserving their access to the benefits our business can provide.

We set new ambitions and targets: our new water targets will help us be better stewards of a precious resource, whether in water-scarce regions or where water is plentiful. We also set a new ambition on climate – to achieve net zero emissions by 2050 – as well as new climate targets: to reduce our absolute emissions by 15% and emissions intensity by 30%, both by 2030, against a 2018 baseline (equity basis). Overall, our growth between now and 2030 will be carbon neutral. And this will all be underpinned by approximately \$1 billion of climate-related spend over the next five years.

With the aim of enhancing trust, we also progressed our commitment to transparency this year, not only by disclosing our mineral contracts

and beneficial ownership, but also by disclosing additional information about the construction, management and monitoring of our tailings storage facilities.

And finally, once again this year, our focus on partnership continued and intensified – because no business can have sustainable, meaningful impact on its own. Partnership is a core enabler of our sustainability strategy, and I was pleased that in 2019 we were able to form new innovative connections across the value chain, including those to address climate change and skills needed for the work of the future.

And so, despite the challenges ahead, we look to a new decade with optimism, knowing that while companies like ours have more to do, we can still be part of the solution.

Sincerely,

J-S Jacques
Chief Executive

Our approach to sustainability

Our products touch almost every aspect of modern life. Our aim is to generate long-term, sustainable profits that allow us to invest in our communities as well as in actions to enhance our own sustainability. And our activities contribute to economic growth and social development around the world.

Sustainability is central to the way we work. In 2019, from new targets on water and climate change to renewed commitments to transparency, communities and human rights, our integrated sustainability strategy continued to focus our efforts on areas in which we can make the most difference, underpinned by our consideration of the United Nations Sustainable Development Goals.

Select highlights from 2019 are presented in this document; to learn more about our progress in sustainability, please visit riotinto.com/sustainability.

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Our sustainability framework

Running a safe, responsible and profitable business

Health, safety & wellbeing

People

Human rights

Environment

Tailings

Ethics & integrity

Collaborating to enable long-term economic benefits

Communities

Social & economic development

Taxes paid

Pioneering materials for human progress

Climate change

Materials of the future

Partnerships

Closure

Safety

a core value

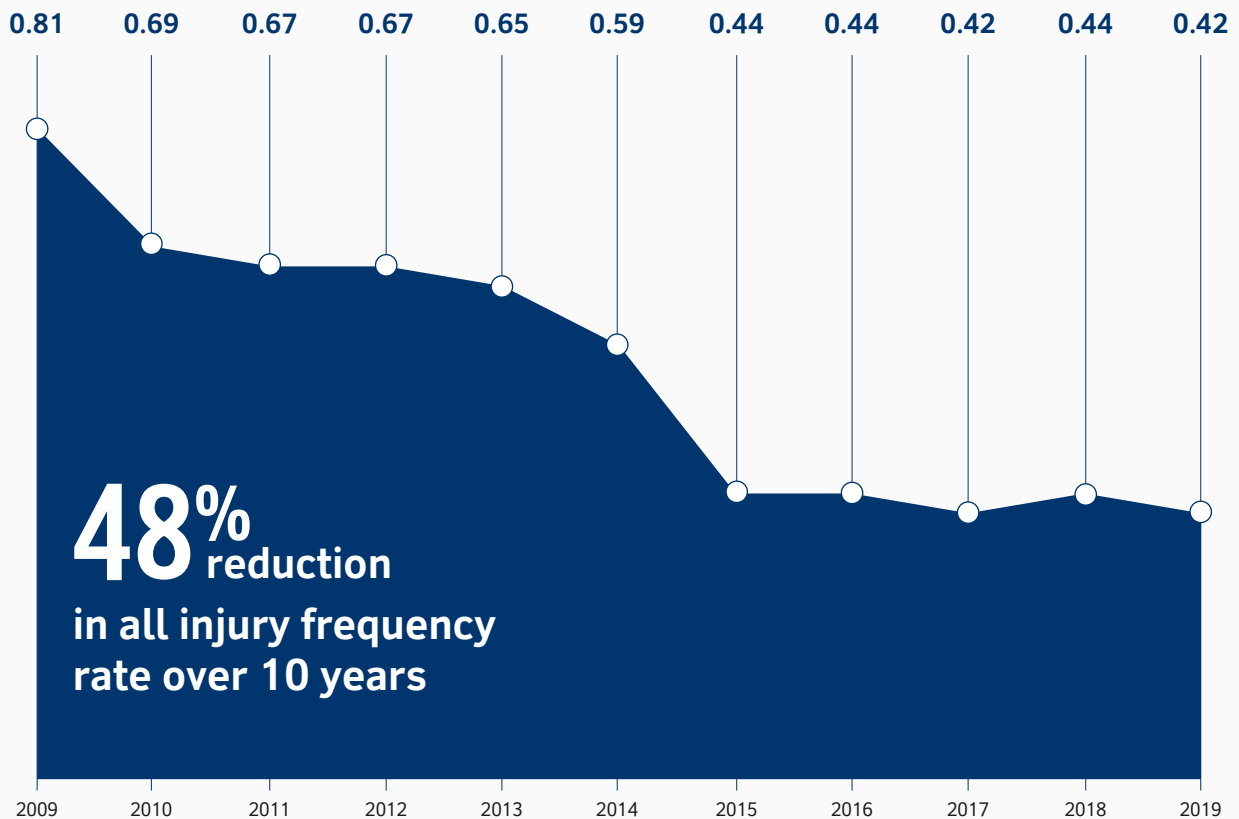
Nothing matters more to us than the safety and wellbeing of our employees, contractors and communities.

Strong safety performance in 2019
AIFR of 0.42
(down from 0.44 in 2018)
and zero fatalities

Introduced our **safety maturity model**
a holistic approach to risk, work planning and execution, as well as learning, improvement and leadership engagement

34% decrease in the rate of new occupational illnesses (over 2018)

All injury frequency rate (per 200,000 hours worked)



Water

stewarding a precious resource

Our new water targets will help us be more transparent about our water usage and our water risk profile, management and challenges. They will also help us improve the datasets we need to drive good water stewardship, and our performance over the next five years – through a programme of risk awareness and response.

Our group target

By 2023, we will disclose for all managed operations:

1

Permitted surface water allocation volumes

2

Annual allocation usage

3

Estimated catchment runoff from average annual rainfalls

Our site-based targets

1

Pilbara Iron Ore

Complete six managed aquifer recharge investigations by 2023

2

Oyu Tolgoi

Maintain average annual water use efficiency at 550L/tonne of ore to concentrator (2019-2023)

3

Kennecott Copper

By 2023, reduce average annual imported water per ton of ore milled at the concentrator by 5% (over the 2014-18 baseline of 393 gal/ton; 1487L/tonne)

4

Ranger Uranium Mine (Energy Resources of Australia)

Achieve the planned total process water inventory treatment volume by 2023, as assumed in the Ranger water model

5

QIT Madagascar Minerals

Develop and implement an improved integrated site water management approach by 2023

6

Queensland Alumina Limited

Complete water-related improvement projects from the QAL 5-Year Environment Strategy by 2023:

- Integrity of bunds and drains
- Caustic pipe and wasteline 4 integrity
- Residue disposal area surface/ground water impacts
- Residue disposal area release to receiving environment

Communities

helping people drive their own progress

We engage communities in ways that are inclusive, respecting dignity, rights, culture and way of life. We aim to maximise social and economic development and minimise potential issues, such as noise and dust. Our vision is to strengthen communities so they can sustain and drive their own progress.

\$45.1bn

direct economic contribution, including

\$36m

community investment

\$147m

paid to landowners

\$7.5bn

taxes and royalties paid

\$17.2bn

spent with suppliers in more than 120 locations

\$13m

paid in development contributions

\$4.5bn

paid in wages and employment costs

1st extractives company and ranked second overall in the 2019 Corporate Human Rights Benchmark

Our communities and social performance targets

To demonstrate local economic benefits from employment and procurement of goods and services by reporting yearly against a locally defined target.

To be effectively capturing and managing community complaints and reducing repeat and significant complaints each year.

Note: 'On track' means 75% or greater progress towards 2020 targets

90%

of assets are on track to achieve their 2020 significant complaints target

70%

of assets are on track to achieve their 2020 local employment target

84%

of assets are on track to achieve their 2020 local procurement target

80%

of assets are on track to achieve their 2020 repeat complaints target

For more information about how we define community complaints and the categories that comprise local development spend, please see the sustainability section of our website.

Climate Change

we aim to be part of the solution

We produce materials essential to human progress – and for the transition to a low-carbon economy. We believe climate change is a global challenge and will require action across nations, industries and from society at large. We are fully committed to being part of the solution.

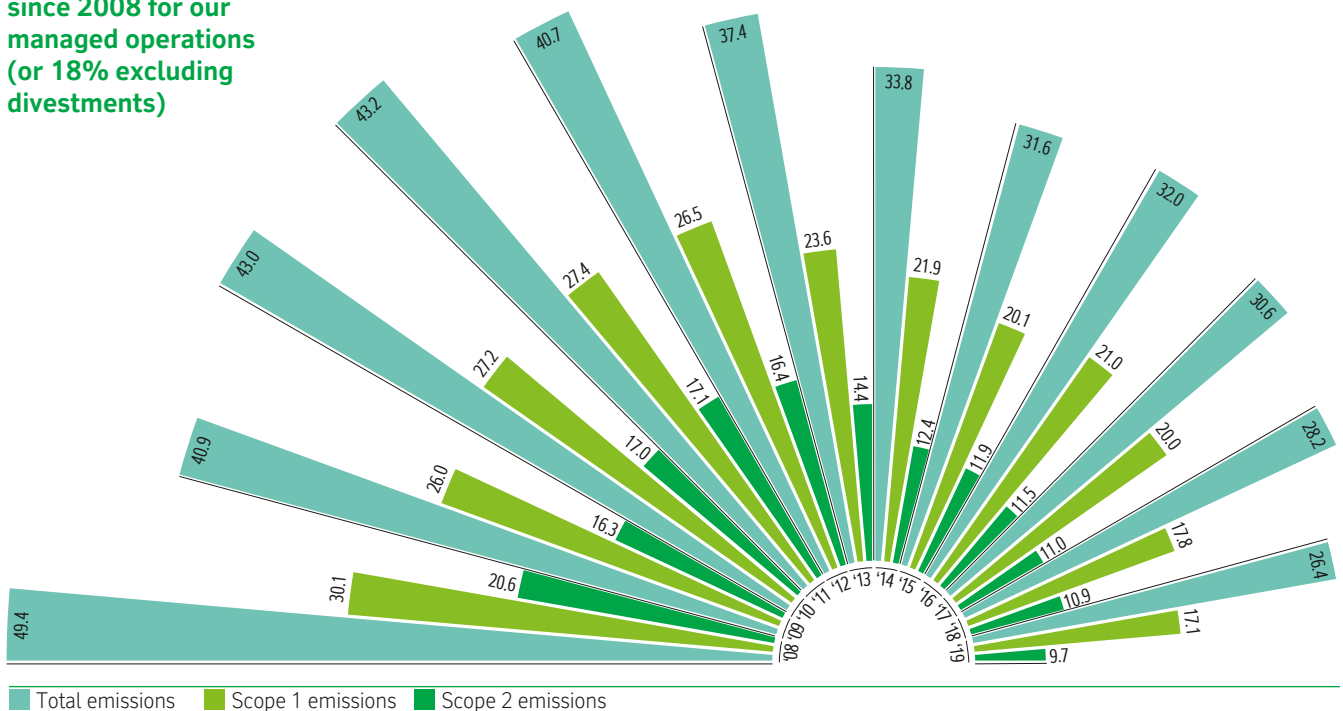
<p>Our ambition</p> <p>Net zero by 2050</p>	<p>Our targets</p> <p>30% reduction in emissions intensity by 2030</p> <p>15% reduction in absolute emissions by 2030</p> <p><small>Targets apply to managed and non-managed assets on an equity basis</small></p>	<p>Underpinned by</p> <p>\$1bn estimated spend on climate-related projects over five years</p>
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Overall, our growth between now and 2030 will be carbon neutral

Total greenhouse gas emissions (million tCO₂e)

46% reduction

since 2008 for our managed operations (or 18% excluding divestments)



Total GHG emissions are scope 1 plus scope 2 emissions, minus emissions associated with electricity and steam exported to others, minus net carbon credits voluntarily purchased from, or sold to, recognised sources. Data reported is for all managed operations, without adjustment for equity interest.

We believe that greater transparency leads to greater accountability, and builds trust.

Our reporting

While we have made progress across various sustainability areas, here we highlight some of our key achievements in 2019.

Find out more about our integrated sustainability strategy and our progress against our targets at riotinto.com/sustainability/sustainability-reporting

In 2019 we disclosed:

A first tranche of our mineral contracts

Beneficial ownership information about our company as well as of our joint ventures that operate mining and processing facilities

The tax we pay project by project

Our largest contributions to industry associations

Our approach to industry associations' climate change policies and advocacy

Information on our global tailings storage facilities, including our 95 active tailings storage facilities, and how we manage them

Our sustainability standards

We are founding members of the Extractives Industry Transparency Initiative and a signatory to the B-Team Tax Principles.

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Cover image: Wickham Community Football Match Pilbara, Western Australia

