

Standard

Communities and Social Performance

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Owner: Global head of Health, Safety, Environment and Communities		Approver: Executive Committee		Target audience: All Rio Tinto staff and each Rio Tinto Group business and function
Direct linkages to other relevant policies, standard, procedures or guidance notes: Cultural heritage management – Australian businesses Group procedure; Rio Tinto management system standard and Group procedures; Communities and Social Performance guidance notes; Rio Tinto Human rights policy; Rio Tinto Risk standard; Rio Tinto Business integrity standard; Rio Tinto Exploration procedure – Communities and Social Performance; Communities and Social Performance Roadmap for Rio Tinto Projects; Projects Environmental and Social Impact Assessment guidance note				
Document purpose: To support implementation of the Group Communities policy. It defines the minimum acceptable performance and management requirements in respect of managing business social risks and business activities that have the potential to impact communities, which, if not met, could materially impact the Group.				

Communities and Social Performance

Scope and intent

This document sets out Rio Tinto's Communities and Social Performance (CSP) standard. It provides a framework of mandatory requirements for all Rio Tinto businesses to comply with Rio Tinto's Communities policy. The standard and supporting guidance will assist Rio Tinto businesses map strategies and actions to build enduring relationships that secure community and stakeholder support. The standard calls on documents from the United Nations and the International Finance Corporation details on which are provided in the CSP guidance notes. Rio Tinto businesses are required to review and refer to relevant guidance when planning CSP work.

This standard is applicable to all Rio Tinto businesses and managed operations; and all phases of their lifecycle, from exploration through post-closure. It applies to all assets and lands owned, leased or managed by the business or for which the business may have liability. It covers business social risks and business activities that have the potential to impact communities.

For the performance requirements, clauses 1.1-1.8 are mandatory for all Rio Tinto businesses. Clauses 1.9-1.13 are mandatory for businesses where the relevant operating context occurs, in particular Indigenous and land connected peoples, and specific legal and financial arrangements. Determination of applicability must be evidence-based (for example knowledge base, social impact assessment).

The implementation of this standard in the context of Exploration and Projects is described in detail in:

- Rio Tinto Exploration (RTX) procedure – Communities and Social Performance
- Communities and Social Performance Roadmap for Rio Tinto Projects

Performance requirements

- 1.1 Develop and maintain mutually beneficial relationships with, and the support of, host communities and relevant stakeholders through the systematic and integrated implementation of the following core elements, as detailed in this standard:
 - a) a social and economic knowledge base, including a formal social impact assessment where applicable.
 - b) community and stakeholder mapping, analysis and engagement.
 - c) social risk analysis.
 - d) all of which must inform the development and implementation of an integrated CSP plan.
- 1.2 Develop a fit for purpose social and economic knowledge base to inform business planning and decision making. The knowledge base must be updated at appropriate intervals (each site must assess the need for update every three

years and determine whether an update is required) so that significant changes in the local context can be assessed and business plans adapted.

- 1.3 Consultation and engagement processes must take place, in good faith. Such processes must be transparent, inclusive, culturally appropriate and publically defensible; ensuring that:
- a) community and stakeholder mapping and analysis informs engagement plans;
 - b) methods, mechanisms, language and format used are suitable to social context;
 - c) potentially affected communities are as fully informed as practicable about the activities of the business and their possible effects before they occur;
 - d) two-way discussions cover community issues, needs and priorities as well as the concerns and needs of the business;
 - e) a record is kept of all formal and informal meetings that involve commitments, records of agreement and action items with dates and responsibilities for completion;
 - f) all communications provided to communities align with overall Group, product group and business communication content, are consistent with the relevant Country Strategy and include External Affairs input where appropriate; and
 - g) reporting to host communities of social, environmental and other relevant information occurs in a fit for purpose timeframe, at least annually, and meets their information needs.
- 1.4 Understand, manage and monitor the social impacts of business activities. In addition businesses must:
- a) use the impact analysis process to identify and realise opportunities, in particular for local and regional economic development;
 - b) locate and design all facilities and infrastructure to avoid or minimise negative social impacts wherever practicable;
 - c) ensure affected communities participate to the greatest extent possible in social impact assessments;
 - d) when carrying out formal impact analyses of major business changes meet the requirements of International Finance Corporation Performance standard (IFC PS) 1 on “Assessment and Management of Environmental and Social Risks and Impacts”;
 - e) if national regulations are substantively different to IFC PS1 meet the requirements of the higher standard; and
 - f) where practicable consider engaging with other companies and stakeholders on the management of cumulative impacts.
- 1.5 Initiatives, activities and targets must be explicitly linked to the CSP plan, and must:
- a) use the comparative advantage of the business to optimise local employment and business development opportunities;
 - b) facilitate the long term building of skills and knowledge in partnership with others, including government;
 - c) support initiatives that address community priorities; and
 - d) comply with the Rio Tinto Business Integrity standard.

- 1.6 Cultural heritage must be managed in consultation with relevant communities. Tangible cultural heritage features and an understanding of intangible cultural values must be documented. To manage documented heritage values businesses must:
- a) develop and implement a fit for purpose cultural heritage management system;
 - b) design and locate activities to avoid damage to non-replicable cultural heritage wherever practicable;
 - c) if disturbance is unavoidable, seek approval as appropriate from those for whom the cultural heritage feature has significance;
 - d) address any industrial and historical heritage features and values of the business, particularly during closure; and
 - e) address changes that are occurring in local intangible values, where the changes are a result of interaction with the business.
- 1.7 Businesses must have a community complaints, disputes and grievance mechanism that meets the intent of the United Nations (UN) Guiding Principles on Business and Human Rights and is integrated with the business incident management system. In particular the mechanism must:
- a) be publically available, locally appropriate and easily accessible; and
 - b) ensure that the complaint, dispute or grievance is addressed and the actions to resolve the matter are recorded and reported within the business.
- 1.8 In relation to human rights businesses must:
- a) ensure site Security and CSP functions collaborate to implement the Voluntary Principles on Security and Human Rights (VPSHR) as they relate to local communities, relevant to local and operational context¹;
 - b) include human rights concerns and issues in social risk analyses and impact assessments, and commission specific human rights risk and impact assessments in high risk contexts;
 - c) ensure human rights awareness training is provided to staff, contractors and visitors appropriate to the local context;
 - d) report immediately in the business incident management system all actual, suspected and alleged breaches of the UN Declaration of Human Rights that involve community members; and
 - e) investigate immediately and resolve all actual, suspected and alleged breaches of human rights that involve community members in line with the Rio Tinto Human rights policy.
- 1.9 Where unavoidable, physical and economic resettlement must only be undertaken:
- a) in compliance with the IFC PS 5 on "Land Acquisition and Involuntary Resettlement";
 - b) such that resettled people, families, communities and their immediate neighbours maintain their social harmony and have their standard of

¹ The VPSHR implementation responsibility rests with the site Security manager (Refer to Global Security guidelines for implementing security and human rights principles).

living and livelihood sustainably restored or improved over the long term as a result of the resettlement;

- c) after advice is sought from the global practice leader - CSP; and
- d) with the endorsement of the relevant product group chief executive.

1.10 Businesses must proactively seek opportunities to reach legally binding community agreements. These agreements:

- a) are mandatory where long term land access is required which impacts local land connected peoples;
- b) require expert legal advice prior to and during establishment from Rio Tinto Legal;
- c) must only be undertaken on an institution-to-institution basis, not with specific individuals;
- d) require advice from the global practice leader - CSP; and
- e) require the endorsement of the relevant product group chief executive.

1.11 Compensation must be paid to community members for direct, specified and agreed loss caused by business activities during life of operation. Such payments must follow procedures that:

- a) are consistent with established good practice in the region;
- b) are available and accessible to all impacted community members;
- c) follow a transparent process but also ensure details of payments remain confidential;
- d) record all details of compensation payments and recipients and maintain for life-of-operation; and
- e) require the endorsement of the operation's managing director (or equivalent).

1.12 Trusts, funds and foundations for the benefit of communities, where established, must all:

- a) have clear justification for their establishment that distinguishes them from site-managed CSP programmes;
- b) be established and operated with governance arrangements that conform to Group Trusts, funds and foundations guidance;
- c) comply with the Rio Tinto Business Integrity standard; and
- d) only be established with the explicit agreement of the global practice leader - CSP.

1.13 In relation to Indigenous peoples businesses must:

- a) operate in a manner consistent with the UN Declaration of the Rights of Indigenous Peoples (UNDRIP) in those jurisdictions that have signed the Declaration, and elsewhere consistent with the Declaration's principles;
- b) strive to achieve the Free, Prior, and Informed Consent (FPIC) of affected Indigenous communities as defined in the IFC PS 7 on "Indigenous Peoples"; and
- c) develop specific agreements with Indigenous groups, in line with clause 1.10, wherever those groups have recognised legal rights or interests coincident with a business's interests.

Control requirements

Requirements in this standard apply in addition to any defined in the Rio Tinto management system.

Planning

- 2.1 All sites must establish procedures to ensure that actions arising from permitting, financing conditions and/or binding agreements involving communities are scheduled, actioned, monitored and closed according to permitting and financing conditions and/or agreement requirements.
- 2.2 Social risk analysis (SRA) must be maintained at operations and undertaken at project gateways, or as necessary due to changed circumstances. The risk framework detailed in the SRA guidance must be used, with the level of analysis fit-for-context; as a standalone exercise or as part of an integrated business risk analysis. Class III and IV risks and action plans must be entered into the business's risk register.
- 2.3 The CSP plan must integrate with business planning processes and support whole-of-business delivery of CSP outcomes. The plan must:
 - a) have measurable local CSP targets and performance indicators
 - b) be developed in collaboration across the business, especially Human Resources, Procurement, Health Safety and Environment, Mine/Plant/Operations/Planning, and specify cross-functional accountabilities; and
 - c) be reviewed and updated consistent with the business planning cycle.

Implementation and operation

- 2.4 All businesses must maintain fit-for-purpose, professional CSP competence to implement this standard.
- 2.5 All employees and contractors must undertake relevant induction training covering the business's community context and commitments, including:
 - a) Group and business CSP policies and programmes; and
 - b) additional training as appropriate on relevant local community issues and sensitivities, in particular cross-cultural training with Indigenous, land-connected, ethnically diverse or marginalised groups.
- 2.6 Contractor selection and management must address CSP risks including:
 - a) ability to comply with and deliver Rio Tinto and site specific CSP requirements;
 - b) applicable local content delivery requirements are included in the scope of work and contract; and
 - c) the requirement for codes of conduct (as appropriate) to ensure appropriate behaviour by their employees and sub-contractors.
- 2.7 Consider and document CSP risks and impacts during management of change, including opportunities to avoid or reduce negative impacts and/or increase positive impacts, prior to implementing a change.
- 2.8 Consider and document CSP risks and impacts as part of the technical and financial evaluation of capital projects.

- 2.9 All sites' Business resilience management plans (BRMP) must ensure that incident response plans identify the communities that may be affected by an incident at site. The response plan must include how potentially affected communities will be informed of any incidents in a timely fashion.

Monitoring

- 2.10 In order to support annual review and performance improvement there must be a process for measuring and monitoring performance against business CSP targets.
- 2.11 Business incident procedures must include a methodology for evaluation of community complaints, disputes and grievance with all those assessed as Class III and IV to be reported immediately to the global practice leader - CSP and as an incident.
- 2.12 CSP documentation must be stored such that data and records are appropriately complete, accurate, accessible, up-to-date and secure.