

**RioTinto**

Respecting Human Rights



**Our Statement  
on Modern Slavery  
2020**

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Cover image:  
Tiwai operations at NZAS  
(New Zealand's Aluminium Smelter)

Inside cover image:  
Environment team member at the Iron Ore  
Company of Canada in Labrador City



## About This Statement

This Statement has been prepared by the Rio Tinto Group to meet the requirements of the Australian *Modern Slavery Act 2018* (Cth) (Australian MSA) and the United Kingdom's *Modern Slavery Act 2015* (UK MSA). It covers the period 1 January 2020 to 31 December 2020 for the Australian MSA and UK MSA reporting entities identified in Appendix 2 and their owned and controlled entities, as well as our managed joint venture operations or assets. This Statement does not apply to non-managed joint ventures, other than Energy Resources of Australia Limited and Queensland Alumina Limited (both of which are reporting under this Statement), although we have highlighted our work to identify over-arching risks and set expectations for alignment by our non-managed joint venture partners with our core standards.

The Rio Tinto Group consists of Rio Tinto plc (registered in England and Wales as company number 719885 under the United Kingdom's *Companies Act 2006* and listed on the London Stock Exchange), and Rio Tinto Limited (registered in Australia as ABN 96 004 458 404 under the Australian *Corporations Act 2001* (Cth) and listed on the Australian Securities Exchange) and their owned and controlled entities.

Rio Tinto plc and Rio Tinto Limited operate together under a dual listed structure and are referred to in this report as Rio Tinto. The words “we”, “us”, “our” and “ourselves” are used to refer to the companies of the Rio Tinto Group in general.

In this Statement, the term “suppliers” includes suppliers of goods and services. It does not include Category 1 contractors<sup>1</sup> but does include the labour hire companies that hire them. The Australian MSA talks about reporting on modern slavery risks in a reporting entity's operations and supply chains. We use “business” in place of “operations” as for us, the term “operations” has a specific meaning to describe operating mines, smelters and refineries.

This Statement has been drafted by our internal Human Rights specialists from our Communities and Social Performance Area of Excellence, with contributions from a wide range of functions, including External Affairs, Communications, Ethics & Compliance, Group Security, Human Resources, Investor Relations, Legal and Commercial (including Marine, Procurement and Logistics). We also obtained third-party feedback, including from three civil society organisations and investor representatives. Several reporting entities and other owned and controlled entities also provided valuable feedback.

This Statement was approved on 4 May 2021 by the combined Rio Tinto Limited and Rio Tinto plc Board on behalf of all reporting entities in the Rio Tinto Group. The Statement in its entirety has been signed by the Chief Executive of Rio Tinto (page 2).

This year's Statement is our first under the Australian MSA and fifth under the UK MSA. Appendix 1 explains how we have addressed the reporting criteria of both these Acts.

This Statement has not been externally assured but has been drafted using an internal verification process. We welcome feedback at [sustainability@riotinto.com](mailto:sustainability@riotinto.com).

1. Category 1 contractors are individuals working on temporary contracts within existing operations.

Together with key stakeholders, including governments and civil society, companies like ours have an important role to play in combatting modern slavery. At Rio Tinto, we consider doing so to be not only a reflection of our legal obligations and external commitments to core international standards, but also of our values. As such, this, our 2020 Statement on Modern Slavery, highlights the concrete steps we are taking to identify and address modern slavery risks throughout our global business and supply chains.



I am personally committed – as is our leadership team – to strengthening our environmental, social and governance (ESG) performance – this includes continually evolving our approach to managing human rights risks, including modern slavery. We are committed to meaningfully implementing international business and human rights standards, including the UN Guiding Principles on Business and Human Rights.

One key way we are strengthening our modern slavery mitigation is by working with our business partners to build their capacity to manage modern slavery and other labour exploitation risks. For example, we are actively collaborating across the shipping value chain to facilitate crew changes in safe locations to assist seafarers stranded on vessels and who may be at risk of modern slavery or other forms of labour exploitation during COVID-19.

We also continue to work to safeguard the health and wellbeing of our employees, contractors and business partners as the pandemic continues. As we manage the ongoing disruptions to global supply chains caused by COVID-19, we recognise that strong due diligence regarding human rights and other business integrity issues is more important than ever. During 2020, we conducted more than 4,000 due diligence reviews on third parties. We also separately evaluated our overarching labour rights risk profile across more than 20,000 suppliers.

While not an issue of modern slavery, the destruction of the Juukan rock shelters in May 2020 represented a tragic failure of our management of human rights. We have worked intensively to learn the lessons from Juukan and to apply them to all aspects of communities and social performance and broader human rights work.

In 2021, we will refresh our human rights policy, which will include an update of our human rights control management framework. Implementation of this policy and framework will include building our own capacity, including among our frontline teams, to identify, prevent and address any involvement in human rights harm, including modern slavery, through our own activities and business relationships.

I am pleased to present our 2020 Statement on Modern Slavery. We welcome your feedback.

A handwritten signature in black ink, reading 'Jakob Stausholm'. The signature is fluid and cursive, with a large initial 'J'.

**Jakob Stausholm**  
Chief Executive

May 2021

This Statement was approved by the Boards of Rio Tinto plc and Rio Tinto Limited on 4 May 2021.

# 1

# Our Approach

Genuinely committing to address modern slavery requires concrete action, continual improvement and collaboration. We believe it starts with everyday actions.

Respecting human rights, including the right to freedom from slavery, is central to our values and to the way we work, wherever we work. It is also a foundational element of the three pillars of our sustainability strategy (see more at [riotinto.com](https://riotinto.com)).

The governance of our human rights-related policies is overseen by the Sustainability Committee of the Board of Directors, as are policies to pre-screen suppliers and provide human rights training to key employees.

## What is modern slavery?

The Australian MSA defines modern slavery to include slavery, servitude, forced labour, debt bondage, forced marriage, trafficking in persons, deceptive recruiting for labour or services and the worst forms of child labour. The UK uses a similar definition. This Statement uses the Australian MSA definition.

# 2

# Our Structure, Business and Supply Chains

## Our structure and business

We are a multinational mining and metals company operating in 35 countries, with 45,000<sup>2</sup> employees across 60 operations and projects. We operate as a combined Group consisting of Rio Tinto plc (registered in England and Wales) and Rio Tinto Limited (registered in Australia). We are headquartered in London with a corporate office in Melbourne.

We produce the materials essential to human progress: iron ore, aluminium, copper, diamonds, titanium dioxide, salt and borates.

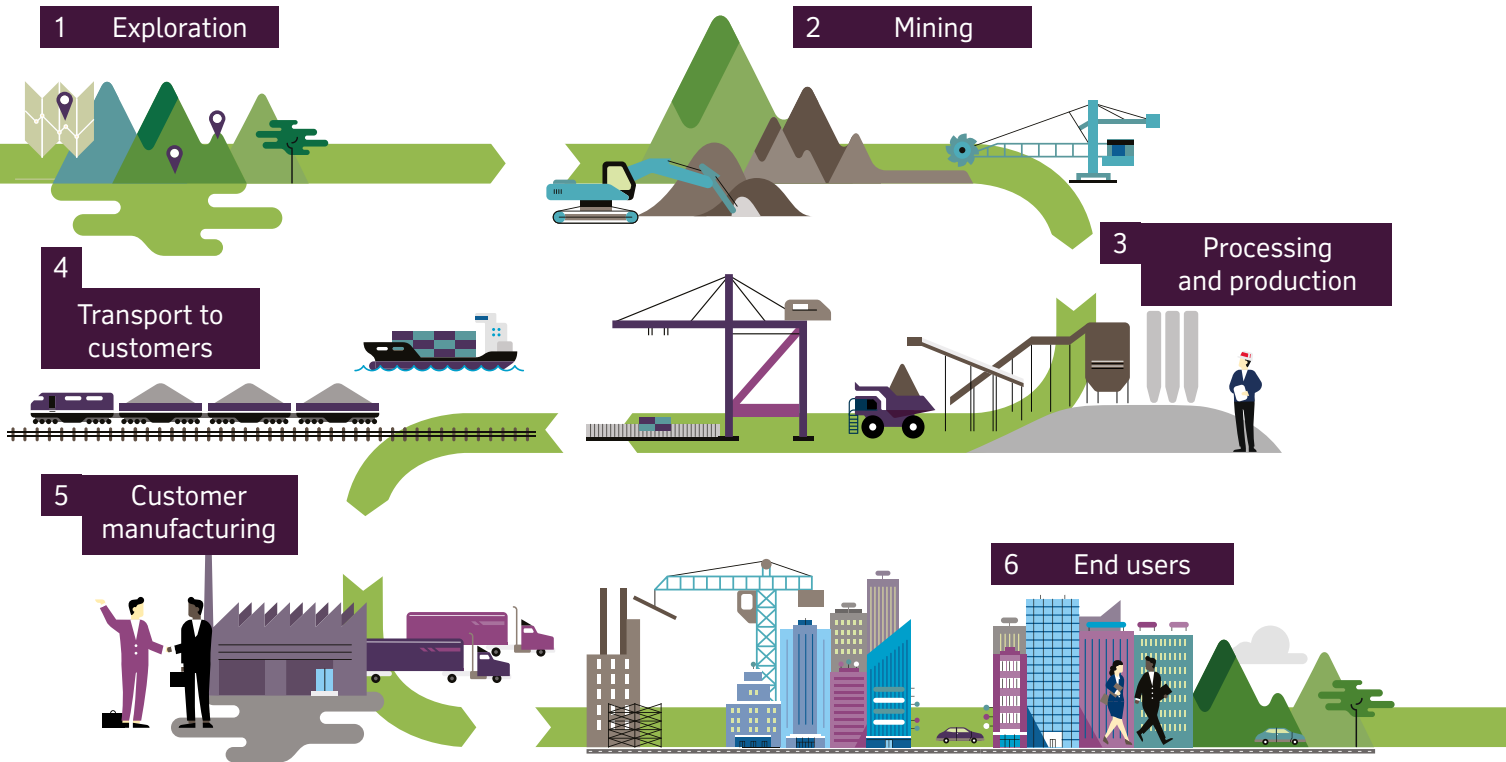
We own and operate open pit and underground mines, mills, refineries, smelters, power stations, research and service facilities. We also use our own railways, ports and ships to deliver materials to our customers, in addition to working with other partners on delivery. We have significant operations in Australia, Canada, Mongolia and the United States and important assets elsewhere, including businesses and operations in Asia, Europe, Africa and South America.

We also invest in a range of other entities through joint venture activities. This includes non-managed operations around the world, including in Chile, Brazil, Australia and Guinea.

Our [website](#) provides more detailed information about our business, including our strategy, products and operations, as well as our approach to sustainability.

2. This is the average employee headcount during 2020, including contractors.

## Mine to Market Value Chain



**Iron ore**

Iron ore is the primary raw material used to make steel. We produce five iron ore products in Australia, including the Pilbara Blend™, and pellets and concentrate in Canada.



**Aluminium**

Aluminium is one of the world's fastest-growing major metals and is found in everything from jet engines to electric vehicles to smartphones. Our vertically integrated aluminium portfolio spans high-quality bauxite mines to alumina refineries to smelters.



**Copper**

Copper is essential to the low-carbon transition as it plays a key role in electrification and power generation, including in renewable energy and electric vehicles. Our operations span the globe, from Mongolia to the United States, occupying various stages of the mining lifecycle.



**Diamonds**

Our white and coloured diamonds are some of the world's most sought-after gems. In November 2020, after 37 years, our Argyle diamond mine ceased production. We are committed to closing the mine responsibly and continuing to manage our Diavik operation in Canada's Northwest Territories.



**Titanium dioxide**

Titanium dioxide is used as a pigment in paints, plastics and paper. It is also used to produce toothpaste, sunscreen and cosmetics. We produce titanium products at our operations in Canada, South Africa and Madagascar. Key brands include SORELSLAG®, UGS™ and RTCS™.



**Salt**

Our Dampier Salt operations in Western Australia are the world's largest exporter of seaborne salt, produced from evaporating seawater.



**Borates**

Boron is a mineral essential to plant growth, so it is used in fertilisers, but it is also used in high tech applications, such as the heat-resistant glass for smartphones, materials for renewable energy, in wood protection and fibreglass insulation. Our Boron operations, in California's Mojave Desert, supply approximately 30% of global demand for refined borates, from one of the world's two largest borate deposits, including under the Borax™ brand.

## Our operating and sourcing locations

### Top 10 sourcing countries

Australia, Canada, United States, Mongolia, Singapore, China, United Kingdom, South Africa, Japan and Germany

#### Canada

##### Top spend categories:

- Contracted labour
- Other services
- Production consumables (such as explosives, raw materials and chemicals)

#### US

##### Top spend categories:

- Contracted labour
- Production consumables
- Mining equipment

#### Australia

##### Top spend categories:

- Contracted labour
- Mining equipment
- Other services

90%

of spend is in the top 10 sourcing countries

80%

of total spend in 2020 was for contracted labour, "other services" (such as facilities management and technology), mining equipment, fuel and energy, and logistics and transportation

#### Key:

Our sourcing: **Top 10 countries**

#### Our operations:

Aluminium	Minerals
Copper	Iron Ore

- Mines and mining projects
- Smelters, refineries, power facilities and processing plants remote from mine
- ★ Projects
- ▲ Offices



## Our supply chains

In 2020, we transacted with approximately 21,000 suppliers in 98 locations, with a total spend of approximately \$15.5 billion. Our global Procurement team, with approximately 370 employees in 25 locations, manages the majority of this spend, with support from our Purchase to Pay team.<sup>3</sup>

When measured by value, over 90% of our total spend in 2020 was with suppliers registered in the following countries (in decreasing order of spend): Australia, Canada, United States, Mongolia, Singapore, China, United Kingdom, South Africa, Japan and Germany (although we recognise that where suppliers are registered does not always represent the country of origin of goods or services).

The goods and services we buy span the asset life-cycle; from exploration and construction services when we build our mines and operations, to on-site transport, catering and equipment for running our operations and tools for land rehabilitation when we close a site. Our largest spend categories are contracted labour, “other services” (such as facilities management and technology), mining equipment, fuel and energy, and logistics and transportation. These categories account for 80% of total

spend in 2020. In Australia, our largest spend is contracted labour, followed by mining equipment and “other services”. In Canada, the largest spend is in contracted labour and “other services”, followed by production consumables (such as explosives, raw materials and chemicals). In the United States, contracted labour has the largest spend, followed by production consumables and mining equipment.

We aim to play a positive role in the communities where we operate. We strive to buy local products and engage local services. In areas where the skills, goods and standards we need are unavailable, we invest in developing that capacity, and in doing so, support local economic development. As part of our commitment to local procurement, where needed, we provide prospective suppliers with technical support to help them meet our procurement standards.

**21,000**  
Suppliers

**98**  
Locations

**\$15.5bn**  
Total spend

3. The Purchase to Pay team supports business operations from master data maintenance, to the purchasing and payment of goods and services.

3

# Our Policies and Governance

Freedom from the exploitation that comprises modern slavery is a human right. Our modern slavery mitigation actions are integrated into our broader human rights programme.

Our employees, contractors and suppliers are required to follow our policies and standards. Several of these set expectations around preventing modern slavery, including our global code of business conduct: *The Way We Work*, [human rights policy](#) and [employment policy](#). All of these documents, developed with reference to core international standards including the [Universal Declaration of Human Rights](#) and the [UN Guiding Principles on Business and Human Rights](#), state that we reject any form of child labour or slavery and prohibit the use of forced or bonded labour. *The Way We Work* explicitly applies to our suppliers and we expect joint venture partners and non-controlled companies to respect the principles it contains.

Our human rights policy will be refreshed in 2021. The process to update it will include a review of how modern slavery sits within our salient human rights impacts (those where we may have the most severe impacts on people through our activities and business relationships).

Our [supplier code of conduct](#), available on our website in five languages, is provided to prospective suppliers and regularly referenced in discussions with existing suppliers. It sets out our expectations of suppliers (and their subsidiaries and sub contractors) with respect to key issues including human rights. It requires that all work must be freely chosen and completed without the use of forced or compulsory labour. It also mandates that all workers be of local legal age and prohibits the use of child labour.

Our standard global supply contract, which incorporates the supplier code of conduct, allows us to terminate relationships with suppliers for non-compliance with the code.

Our procurement standard mandates that all new suppliers and certain renewals of existing suppliers (including those not managed by the procurement team) must undergo due diligence relating to ethics and integrity (including human rights as detailed in section 5 on page 14) in accordance with the Know Your Supplier procedure.

More broadly, our [business integrity standard](#) and related procedure require that risk-based due diligence be conducted before engaging with third parties, such as customers, suppliers and business partners (including joint venture partners and acquisition and divestment targets).

Our [joint venture policy](#) (effective as of June 2021) confirms that we strive to ensure joint venture partners and non-controlled companies respect our human rights commitments. We have strengthened our governance of managed and non-managed joint ventures and introduced an annual attestation certification signed by the most senior Rio Tinto lead responsible for overseeing the relationship with the joint venture.

Our [communities and social performance standard](#) has a stand-alone human rights clause that requires each of our operations to include human rights issues in social risk analyses and impact assessments, to provide human rights training to employees, contractors and visitors appropriate to the local context, and to report and investigate actual, suspected and alleged human rights breaches. This standard will also be refreshed in 2021. Our assurance of this standard and other relevant policies, standards and procedures is set out in section 5 below.

The Sustainability Committee monitors compliance with our human rights-related policies and standards. Executive Committee accountability for the area is cross-functional and includes leaders responsible for our human rights approach (Safety, Technical and Projects incorporating the Communities and Social Performance Area of Excellence), third-party due diligence, broader business integrity work and external stakeholder engagement (Legal, Governance & Ethics and External Affairs); and Procurement, Logistics, Sales and Marketing and Marine (Commercial). Overall coordination of our modern slavery approach is part of our human rights programme, led by Human Rights specialists in our Communities and Social Performance Area of Excellence in close collaboration with the functions that support our product groups in applying our processes on the ground. These functions include Ethics & Compliance, External Affairs, Human Resources and Procurement, Logistics, Sales and Marketing and Marine (Commercial).

## Understanding the UN Guiding Principles on Business and Human Rights (UNGPs)



Pilbara operations, Western Australia

Our human rights approach, including our modern slavery risk management, is founded on the UNGPs – the widely-recognised global standard for preventing and addressing adverse impacts on human rights by business. The UNGPs help businesses like ours to understand, and demonstrate, that they are respecting all internationally recognised human rights across their own activities and business relationships. Our approach to modern slavery is part of our broader human rights approach, recognising that the presence of other human rights issues may indicate modern slavery risks.

Importantly, the Australian MSA and official Australian Government guidance draw heavily on the UNGPs to explain how businesses can identify, assess and address their modern slavery risks. The guidance recommends that businesses use the UNGPs to better understand how they may be involved in modern slavery through their operations and supply chains. The UNGPs describe a continuum of involvement in human rights impacts, such as modern slavery, as follows:

- **A company may cause a human rights impact if its own actions or omissions directly result in that impact.**
- **A company may contribute to a human rights impact if its actions or omissions contribute to another party causing the impact (for example by incentivising it).**
- **A company may be directly linked to a human rights impact by another entity it has a business relationship with, through its operations, products or services.**

We use this continuum to understand our modern slavery risk areas.

# 4

# Identifying our Modern Slavery Risks

Modern slavery risks may arise due to issues present in the countries and regions in which we operate and which we source from, the products and services we procure, and the specific entities with which we engage. As such, our modern slavery risk profile continually evolves; potential modern slavery risks may change over time. These changes can reflect internal factors such as establishing new operations, or external impacts such as COVID-19.

### Risks in our business

We have operations, projects and offices across 35 countries, some with an increased risk of modern slavery according to the [Global Slavery Index](#).

Our risks of involvement in modern slavery include the risk of causing modern slavery by employing people in conditions that do not meet appropriate standards or by engaging younger workers, such as apprentices, in hazardous work. We also acknowledge there could be risks to workers' rights when their movement is limited – for example, to ensure the presence of our workforce does not negatively impact a local community.

We could also contribute to modern slavery if our employees or contractors engaged exploited people in a local community for services, such as domestic work or sex work. Forced marriage could be one type of this kind of modern slavery risk.

We also acknowledge there may be risks of being directly linked to modern slavery through our joint ventures.

We sell products to a range of customers globally, including to those in the automobile, agricultural, jewellery and construction sectors. We understand we could be directly linked to modern slavery through our customer relationships.

### Risks in our supply chains

In line with the definitions used in the UNGPs, we recognise that we could be directly linked to modern slavery at multiple tiers of our supply chain through our products, services or operations, and that we could contribute to it if we were to engage in irresponsible practices, such as putting unreasonable time or cost pressures on suppliers.

In 2020, we identified a need to more systematically assess our supply chain risks to help us prioritise our action. This included ensuring our third-party due diligence processes were based on current high-risk country and activity information. To do so, we engaged a third-party provider during 2020 and early 2021 to evaluate more than 20,000 direct suppliers (based on

2019 spend information) across 266 unique categories (goods and services) and 104 sourcing countries for labour rights risks, with a focus on labour exploitation. We know modern slavery rarely occurs without other labour rights harm, so we focused the assessment on labour exploitation, rather than restrict it to modern slavery. We focused on direct suppliers but asked the third-party provider to help us to understand, where feasible, where risks may exist within the supply chains of certain goods and services (rather than in the end product or service).

The risk assessment considered a range of labour rights indices, including from the Walk Free Foundation, the United Nations and the United States Department of Labor, as well as proprietary audit data from our third-party provider. It assessed category risk (the goods and services supplied by the supplier) and country risk (the registered location of the supplier). Spend was not used as a lens to assess risk, recognising there may be considerable risks attached to low spend suppliers as described below.

### Category risk

The category risk evaluation considered labour-related risks, including vulnerability drivers for, and incidences of, forced and child labour associated with the production and supply of the relevant category, in order to assign a category risk rating to each supplier. Where a supplier supplies across multiple categories, we assigned the highest category risk rating. The key categories identified as high-risk include:

- Cleaning and waste removal
- Catering services
- Construction
- Temporary labour
- Building and grounds maintenance
- Transport (including shipping and trucking) and warehousing
- Security services
- Uniforms and personal protective equipment
- Computer equipment and electronics
- Building products

### Country risk

The assessment provided us with a targeted list of countries to help prioritise our action on labour rights, including modern slavery. Of the countries we sourced from with high-risk of labour exploitation, the 10 highest-risk countries represent 0.8% of our total spend in 2020. These countries are located in the following regions: East Asia & Pacific, Europe & Central Asia, Latin America & Caribbean, South Asia and Sub-Saharan Africa.

Our third-party provider's country risk evaluation framework considered labour rights risk data from publicly available tools (including key resources referred to under "Category risk" above) and their own audit insights. The evaluation outcome was closely aligned to our broader country risk assessment under our existing third-party due diligence processes.

### Segmentation and lessons from the risk assessment

We take a segmentation approach to managing risks, which considers a supplier's category risk and country risk and divides suppliers into one of four risk segments (in order of priority): priority, specialised, moderate and minimum. The categorisation of a supplier depends on the risk profile of their country of registration and their sourcing category.

While our initial assessment in 2020 included a segmentation taking spend into account, in 2021 we received and further evolved a segmentation without a spend overlay. This is because spend is not always aligned with influence and may skew our focus to large suppliers

rather than those with the highest risk profile. For example, we engage many small-to-medium local suppliers – and although our spend with them may be comparatively low, our ability to work with them to improve their practices may be high.

In 2021, we plan to further refine the segmentation process and related actions using internal specialists from our Human Rights and Procurement teams. We also understand we will need to continually update the risk assessment as part of keeping our broader risk profile up to date.

The engagement of a third-party provider to conduct the labour rights risk assessment provided an opportunity to efficiently review supplier data and help us better understand our risk profile, though it also highlighted some challenges. For example, some of the third-party provider's category classifications were not specific to the mining industry, and in these cases we had to translate our understanding of the category to a more appropriate risk classification.

We saw that modern slavery risks were only likely to be identified where there is sufficient public or audit information about the risks in particular sectors or countries – meaning that there could still be parts of our supply chain where risks exist but may not be identified. A key takeaway was that external data must work alongside strong capacity building internally to identify and manage risks on the ground, alongside meaningful engagement with suppliers to identify risks deeper in our supply chain.

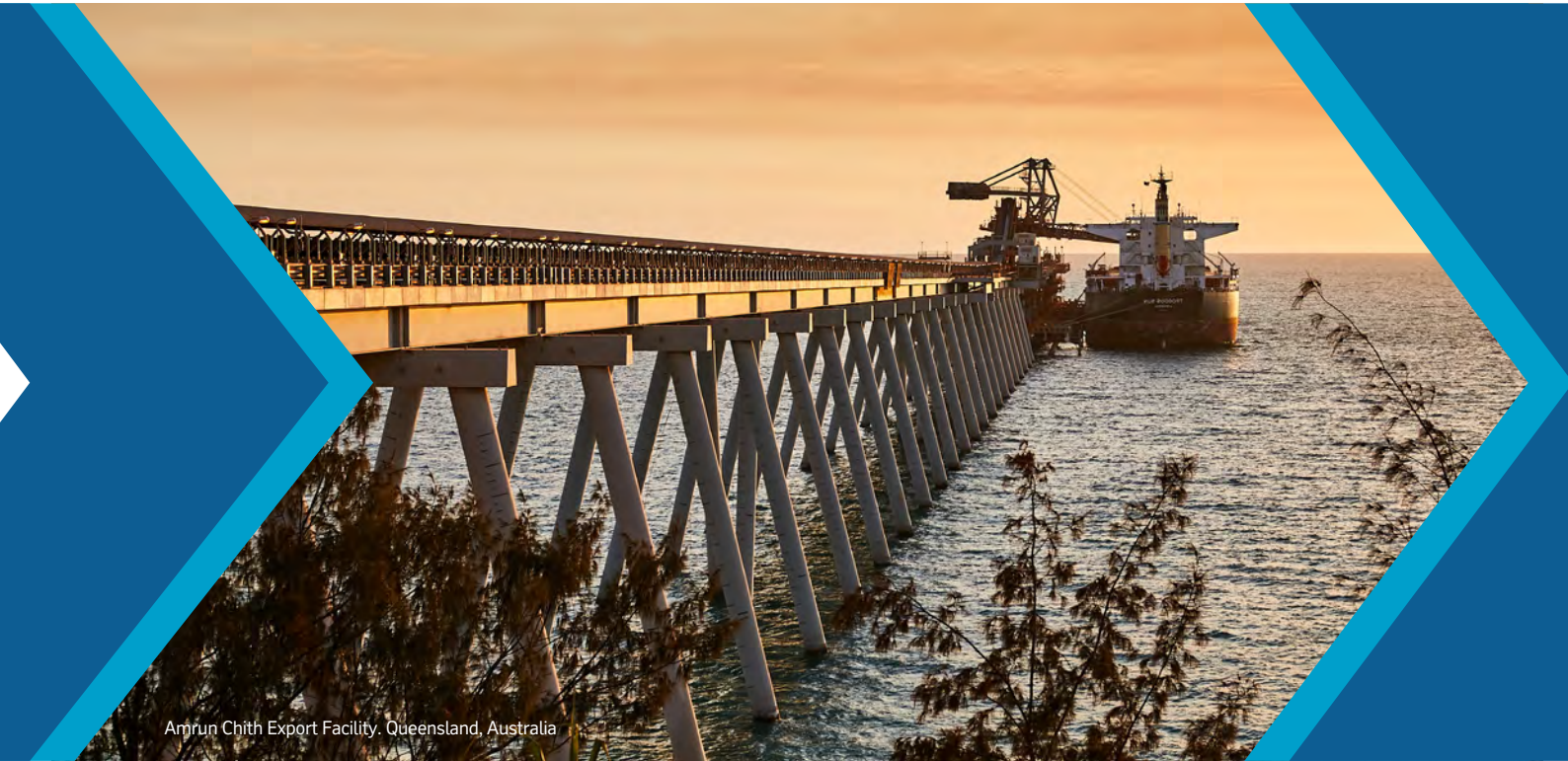
## Risk area in focus:

# Use of temporary labour

We recognise that use of temporary labour is a key modern slavery risk area for many large businesses, in Australia and elsewhere. We use temporary labour for a range of reasons, including construction for major projects as well as short-term activities such as repairs. Our supplier code of conduct also applies to hiring agencies; we monitor hiring practices at our sites through our Procurement, Human Resources and Communities functions, and investigate complaints and suspected breaches of our standards.

We are aware of the Australasian Centre for Corporate Responsibility's 2020 report into "[Labour Hire & Contracting Across the ASX100](#)", which analysed the use of labour hire and contracting arrangements across the mining, construction, and commercial cleaning sectors. The report noted that Rio Tinto was one of only two of the 19 companies surveyed that defines the term "contractor" in our corporate reporting documents, which supports stakeholder understanding of our labour-related disclosures.

In 2021, we aim to better understand any modern slavery risks associated with the use of temporary labour across our business, including any particular vulnerabilities faced by temporary labour and how we can further strengthen protections in how we choose and monitor labour hire agencies.



Amrun Chith Export Facility, Queensland, Australia

## Case study

# Our Marine function mitigates risks during the pandemic

The use of charter vessels to transport mined and refined materials can involve a range of modern slavery and other human rights risks. The COVID-19 pandemic has exacerbated these risks, including through the delay or restriction of crew changes. Where crew cannot leave a ship for long periods of time, they may become more vulnerable to labour exploitation as well as other human rights harms, including poor living conditions and lack of access to adequate food, sanitation and healthcare.

We have been actively collaborating across our shipping value chain to facilitate crew changes in safe locations across our owned and chartered fleet, ensuring seafarers can get home safely, well within the requirements of the [Maritime Labour Convention \(MLC\)](#). This includes:

- Facilitating the change of crew across approximately 25% of our time charter fleet per month by providing flexibility in scheduling, facilitating travel arrangements and providing financial support in some instances for our ship owner partners.
- Providing financial support to ensure seafarers have access to services in our ports in the absence of shore leave (e.g. funding [Mission to Seafarers](#) in our ports).
- Working with shipping partners to ensure crew change best practice standards are met (e.g. quarantine, testing requirements) to protect seafarers and on-shore communities.
- Conducting crew changes for all 17 of our owned vessels to ensure no crew works beyond 11 months. This has resulted in our international vessels deviating over 9,000 nautical miles and spending more than 70 days off-hire (time when the vessel is not available to the charterer).

In 2020, we strengthened our charter screening, focusing on crew labour standards and changeovers. This included engaging with vessel operators to determine how long crews have been on board, whether their contracts have been extended and the next changeover location. We have identified extended time on board for crew due to COVID-19 and associated impacts,

such as contract expiry and delayed repatriation for crew experiencing mental health impacts. Mental health impacts for seafarers have also been exacerbated by lack of access to shore leave due to COVID-19 restrictions. We have also identified potential instances of inadequate provisions for crew, as well as underpayment of crew wages. In these instances, we seek to engage with the vessel operator to resolve these issues.

We understand that shipping is a high-risk sector for modern slavery and broader human rights issues. A significant challenge is that vessel owners and operators may lack capacity to identify and respond to human rights issues on board. We recognise building such capacity requires industry-wide action.

Accordingly, we support various collaborative industry responses, including the Global Maritime Forum's [Neptune Declaration on Seafarer Wellbeing and Crew Change](#). The Declaration explicitly recognises the shared responsibility between ship operators and charterers to facilitate crew changes through:

- Sharing relevant information transparently and collaborating to ensure necessary crew changes can be carried out within all reasonable efforts;
- Not using “no crew change” clauses in charter contracts; and
- Implementing high-quality health protocols to minimise the risk of COVID-19.

We work to raise internal awareness of modern slavery risks related to shipping, including those exacerbated by the COVID-19 pandemic. This has included providing materials to the ship managers of our owned vessels to help identify modern slavery red flags. We are also engaging with several global human rights focused shipping initiatives, including the Sustainable Shipping Initiative and Institute for Human Rights and Business project [Delivering on Seafarers' Rights](#), to discuss how seafarers' human rights can be better safeguarded more broadly.

5

# Our Due Diligence and Remediation Processes

## Human rights due diligence

We implement human rights due diligence in line with the UNGPs. This includes identifying, and taking appropriate action against, adverse human rights impacts in which we may be involved, as well as tracking and communicating our performance. We understand that meaningful consultation with individuals and groups whose rights may be (or have been) affected – including employees and contractors – is essential to effective human rights due diligence.

We integrate human rights considerations, including modern slavery, into our sites’ risk management processes: site-based social risk analyses and impact assessments; incident reporting and audits; and security assessments.

In addition to our 2020 labour rights risk assessment, we use tools such as the [Transparency International Corruption Perceptions Index](#), [Global Slavery Index](#), [Responsible Sourcing Tool](#) and [Verisk Maplecroft Human Rights Indices](#) to improve our understanding of the modern slavery risks we may face in different locations and the broader human rights risks that may be present in our business and supply chains.

## Due diligence in our business

We use broader processes, such as social impact assessments, and targeted studies, such as human rights impact assessments and risk analyses, to assess human

rights risks across our business. Internal guidance states both social impact assessments and risk analyses should explore all relevant human rights risks, in some cases with specific reference to modern slavery. For example, our social risk analysis guidance recommends all sites consider risks relating to potential involvement in forced labour and child labour.

We also undertake site-specific security risk assessments, which include consideration of relevant modern slavery risks such as human trafficking and sex work in local communities.

Our risk management framework specifically includes a human rights category in which labour rights-related risks may be considered. In addition, a human rights consequence can be added to risks in this framework to explain the potential impacts of identified risks – this allows for consideration of risks from the perspective of impact to people not just to the business. Our human rights risk management framework will be reviewed and further enhanced during 2021 as part of a refresh of our human rights policy.

## Certification and audit processes

We have three lines of defence to verify that risks, including those relating to human rights, are being effectively managed in line with our foundational policies, standards and procedures, including across core business processes:

Line of defence	Responsibilities	Accountability
1 <sup>st</sup> – All operational leaders	Identification, management, verification and monitoring of risks and controls	Management
2 <sup>nd</sup> – Areas of Expertise	Oversee risks, control effectiveness, advice on capability and ensure objective assurance against the Group’s policies, standards and procedures	Management
3 <sup>rd</sup> – Group Internal Audit	Provides independent (in some cases external) verification that risks and internal controls are being managed effectively	Board and Board committees

Second level assurance includes periodic business conformance audits which audit a business or operation against our health, safety, environment and communities performance standards and management system. This includes compliance with the human rights section of our communities and social performance standard. None of our business conformance audits in 2020 identified modern slavery-related findings. In 2021, we aim to work further with our auditors to ensure they are focused on identifying modern slavery risks as part of their work and have further training to do so.

In 2020, each of our product groups (see [riotinto.com](https://riotinto.com) for an explanation of our structure) conducted a self-assessment and certification of social risks, which will now be undertaken annually. Given the nature of the Commercial division's work, their 2020 certification was focused on managing human rights risks with a focus on labour rights including modern slavery.

The Commercial certification was approved by the heads of the Marine, Procurement and Logistics functions, as well as the Chief Executive of Commercial, and was undertaken in close cooperation with our Human Rights specialists. The process identified various opportunities and actions to strengthen our approach, including:

- Building capacity around labour rights risks including modern slavery;
- Strengthening Procurement and Logistics' escalation processes if "high" or "critical" human rights risks are found or alleged in relation to a third-party business partner;
- Improving the accuracy of our supplier data to leverage a broader range of external data sources to support risk identification – ie so it is easier to identify where suppliers are from, where they are providing goods and services and what they are providing for the purposes of understanding related risks;
- Establishing greater visibility of the human rights (including modern slavery) controls in place for vessels used to carry our products, but that are not chartered by Rio Tinto. Our Marine team has begun a review of vetting and contracting requirements for all vessels using our terminals and additional engagement with other parts of the business in order to develop a process to address these risks. We will also strengthen the screening of chartered vessels for human rights risks including modern slavery.

### Incident reporting

Our site-level incident reporting procedure prompts us to record whether a health, safety, environment, community or security incident has human rights implications. We then identify which specific human right the incident may have impacted, including a targeted prompt relating to labour rights, where modern slavery-related incidents may be included. We are not aware of any recorded incidents relating to modern slavery in 2020.

It is not compulsory to use the human rights classification when recording an incident and more internal training may be needed on why and how to use this functionality. In 2021, we will implement a new incident reporting mechanism, with which we will reassess our human rights classification and capacity building needs.

### Third-party risk assessment

#### Suppliers

Our supplier risk strategy is activated during the pre-qualification phase and extends through to an ongoing risk assessment, targeting modern slavery along with other issues relating to responsible business conduct, including trade sanctions compliance, bribery and corruption and other human rights issues. This work is undertaken in collaboration with our Ethics & Compliance and Risk teams. Any areas of concern are reviewed in partnership with the relevant business unit and actions taken if needed.

In 2020, we reviewed our sourcing risk assessment process and the supporting risk taxonomy to incorporate human rights risk. We plan to launch the revised risk assessment process in 2021.

Our standard global supply contract and purchase order terms and conditions, as well as our Marine chartering contract, have included modern slavery provisions since 2019. Our standard suite of contracts for use in major projects was also updated in 2020 to include modern slavery provisions. Similar to the clause in the standard global supply contract, the clause in our projects contracts includes expectations that:

- The contractor will take reasonable steps to ensure it has in place adequate procedures and policies to prevent and address involvement in modern slavery, including through its sub contractors (and to the extent practicable, its other suppliers and business partners) in line with recognised international standards including the UNGPs;
- On our request, the contractor must provide a copy of any modern slavery statement it is required to prepare under relevant modern slavery reporting legislation;
- We can audit the contractor and its subcontractors regarding the obligations in the clause.

The new suite of contracts was used for some projects in Western Australia in 2020 and will be rolled out to other projects in Australia and other countries over 2021.

### Know Your Supplier procedure

The Know Your Supplier procedure provides the overarching due diligence process for our supplier risk management approach, facilitating identification of the potential risks of engaging, renewing or extending a supplier relationship. The procedure is designed to identify a variety of responsible business conduct risks including human rights, bribery and corruption, money laundering, trade sanctions or denied party transactions.

The Third-party Due Diligence team, sitting within our Ethics & Compliance function, is responsible for administering the Know Your Supplier procedure. The team is supported by our Human Rights specialists; together they assess identified Human Rights risks, including modern slavery, and recommend and monitor the implementation of mitigation actions. The Know Your Supplier procedure is applicable to all Rio Tinto business units, functions and managed joint ventures. It can also extend to reviewing recipients of donations and sponsorships. Credit card transactions are generally not currently subject to third-party due diligence.

Supplier due diligence is triggered if a supplier is performing a high-risk activity or incorporated in or delivering to a high-risk, very high-risk or tax haven country (consistent with lists maintained internally). In 2021, the Know Your Supplier procedure will be extended to apply to all existing third parties as part of the new Know Your Third-party procedure.<sup>4</sup> In addition, we will be revising our country list to take into account additional indices, including the Global Slavery Index.

The Know Your Supplier due diligence process involves screening suppliers in high/very high-risk or tax haven countries or performing high-risk activities, for negative media and other public coverage (for example other public allegations including campaigns against a supplier) to identify any potential allegations of human rights issues, including modern slavery. We act on every allegation of human rights violations, including modern slavery, by involving our Human Rights specialists and performing further due diligence if needed, which may include asking further questions of the supplier or reviewing other publicly available information. Alerts for negative media and other public coverage act as a red flag and each instance is evaluated carefully, informing our decision on whether and how to engage with a supplier.

4. The Know Your Third-party procedure replaces two standalone procedures: Know Your Supplier and Know Your Customer, aligns our risk-based approach and reflects the evolution of our Third-party Due Diligence programme.



In 2020, we completed 4,055 due diligence reviews on third parties (up from 3,273 in 2019), of which 59% related to suppliers. Our Commercial team, which includes Procurement, requested the most due diligence reports (25%) followed by our Energy & Minerals (19%) and Copper & Diamonds (18%) product groups.

In 2020, we recorded no modern slavery-related “high” risk ratings as a result of Know Your Supplier due diligence reviews (two were recorded in 2019, none in 2018 and four from September 2016 to December 2017).

During the year, we logged two “high” risk ratings relating to other labour rights concerns, which related to retaliation against workers for union activity. In each case, we requested a commitment from the suppliers to respect workers’ rights to freedom of association and collective bargaining. We also identified during our labour policy review of these suppliers that although their global parent company had a policy rejecting forced labour, it was not clear from a review of the local policies as to how this risk was managed locally by the suppliers. We continue to work closely with the local suppliers on this issue including a review of their recruitment practices.

In 2020, we also implemented a change, made in 2019, to adjust the definition of a supplier’s “country” to help determine if a supplier is from a higher risk country and therefore requires enhanced due diligence. A supplier’s “country” no longer refers only to where the supplier is incorporated; today, it also includes the site or location where the goods

or services are provided to Rio Tinto. We rolled out these changes through internal communication and management updates, in-person and online training sessions with key internal stakeholders, including our Procurement function, and targeted sessions for site-based procurement personnel.

While the Know Your Supplier due diligence process is primarily based on publicly available information, we also ask for direct information from suppliers in specific circumstances including when modern slavery concerns have been identified.

For example, in 2020, we introduced a questionnaire for third parties in high-risk countries performing activities that are also high-risk from a bribery and corruption perspective. While the questionnaire focuses on bribery and corruption risks, it also includes questions regarding modern slavery. These questions help us better understand if the third party has any modern slavery-related policies or procedures in place including training for employees.

We also continued to request the labour policies of prospective suppliers bringing more than 20 manual labourers onto our sites in high or very high-risk countries. These reviews assess whether the policies address our supplier code of conduct expectations on human rights, which in turn helps inform our decisions on whether to engage those suppliers and, if we do, whether any risk mitigation actions are required.

### Case study

## Engaging with suppliers on labour policy implementation

The tender process for large-scale projects provides an important opportunity to inform our commitments to combatting modern slavery with suppliers and also to identify any modern slavery red flags.

In 2020, we launched a bulk review of prospective suppliers’ labour-related policies as part of an Australian iron ore tender. Although Australia is considered lower risk from a modern slavery perspective, construction services are considered a high-risk activity. As this was a three-year multi-disciplinary contract, our review approach ensured that a consistent standard was applied to the review process. The review aimed to identify prospective suppliers’ commitments to core labour standards and human rights more broadly, including:

1. Prohibition on discrimination of all kinds;
2. Respect for the right to freedom of association (including the right for workers to form and join trade unions and to bargain collectively);
3. Prohibition on all forms of modern slavery (including forced labour and trafficking) and illegal child labour (including hazardous child labour for anyone under 18 – this can be especially relevant for apprentice programmes); and
4. Ability of workers to complain in an environment that will not lead to retaliation.

These commitments are often found across multiple documents submitted to us by prospective suppliers – such as an employment or labour rights policy, human rights policy and/or a code of conduct type document – rather than one single “labour policy”.

The review process provided an opportunity for the Iron Ore Procurement team to discuss our human rights commitments, including in relation to modern slavery, with prospective suppliers and highlighted opportunities for these suppliers to strengthen their approaches to these issues.

The process also highlighted the benefit of strong collaboration between our Procurement team and Human Rights specialists, and the importance of the Procurement team members’ awareness and skills to identify modern slavery risks and red flags at the start of the tendering process.

### Screening our shipping partners

Our key steps for identifying human rights, including modern slavery risks, in our shipping partners are as follows:

- All vessels calling at our terminals must be [Rightship](#) vetted, which incorporates a review of any historical breaches of the MLC (such as forced labour or failure to provide decent working and living conditions). In some cases we also require a physical Rightship inspection, which ensures appropriate implementation of actions in response to these breaches. For longer-term time charters, we do a deeper review of the ship manager's "crewing" approach and systems to ensure they align with the MLC.
- We do regular first and third-party on-board audits on vessels calling at our ports, where we look at living and working conditions on the ships. In 2020, we increased resourcing at our terminals in Western Australia, Gladstone and Weipa, formalised the audit process and raised awareness about concerns. We will be taking similar steps at our ports in Canada, in 2021.

We recognise the challenges posed by monitoring conditions on vessels chartered by business partners, such as joint venture partners. In these situations, we look for opportunities to encourage meaningful due diligence by our business partners.

### Supplier monitoring including audits and self-assessments

We may decide to inspect, including audit, a supplier's premises and/or records at different stages of our relationship. This includes situations when we identify risks as part of the Know Your Supplier procedure, as part of prequalification in some locations or if issues arise during the term of the contract.

We may also ask suppliers to do self-assessments, as part of our efforts to identify human rights risks. For example, in some higher-risk locations, we use a supplier self-assessment process which, depending on the location, may cover a range of issues, including several potential indicators of modern slavery such as retention of identity documents and payment of recruitment fees. These self-assessments occur alongside the Know Your Supplier procedure, as well as, in some locations, alongside mandatory visits to suppliers' sites.

We pay attention to changing third-party operating contexts, including to support the Third-party Due Diligence, Procurement, Sales and Marketing and other relevant teams engaging with third parties to better understand the risks that may apply in particular jurisdictions. We ensure these teams are made aware of any areas flagged as high-risk as needed.

### Mergers and acquisitions, and joint ventures

The Know Your Supplier procedure is also applied to joint venture partners and third parties in relation to mergers and acquisitions, growth projects and strategic acquisitions. It complements the consideration of social risks that is a routine part of due diligence for mergers and acquisitions and partnership assessments, including joint ventures.

More broadly, we also look for ways to help business partners respect human rights. At our non-managed operations, this may include best practice sharing around complaints handling, discussing human rights issues at joint management meetings and making our specialists available to build the capacity of operational employees. For example, in developing this Statement we engaged with several managed and non-managed Australia-based joint ventures to understand their approach to assessing and addressing modern slavery risks and will engage further to share our experience and support continuing activities in 2021.

### Customers

Our Know Your Customer procedure assesses and identifies risks in relation to a variety of issues, including human rights, bribery and corruption, money laundering, trade sanctions or denied party transactions, financial crimes and reputation risks. In 2021, we will conduct training with our Sales and Marketing teams to increase awareness of the due diligence requirements for customers and the importance of addressing customer expectations on human rights, including modern slavery.

In 2020, we responded to several customer requests for information on our modern slavery risk management. This included dialogue with customers on the challenges relating to some requests, including the difficulties in signing whole of group warranties requested by some customers asking us to state that we have no modern slavery in our supply chains given that we are still working with our own suppliers to understand their risks. We continue to be actively involved in value chain initiatives, including the [Aluminium Stewardship Initiative \(ASI\)](#), [Copper Mark](#) and the [Responsible Jewellery Council](#), which also give us the opportunity to address modern slavery with our customers.

**We continue to be actively involved in value chain initiatives, including the Aluminium Stewardship Initiative, Copper Mark and the Responsible Jewellery Council, which also give us the opportunity to address modern slavery with our customers**

## Grievance mechanisms and remediation

If a human rights incident occurs despite our efforts to prevent it, we seek to mitigate the situation in line with our values, policies and standards. Where we identify we have caused or contributed to human rights harm, including modern slavery, in line with the UNGPs, we recognise our responsibility to provide for or cooperate in remediation through legitimate processes.

Our grievance mechanisms are available for stakeholders to raise complaints relating to our operations and our supply chains and may be used to raise concerns about modern slavery.

Our communities and social performance standard requires managed sites to have a complaints, disputes and grievance procedure in line with the UNGPs' effectiveness criteria for non-judicial grievance mechanisms.


Our whistleblowing programme, myVoice,<sup>5</sup> is available to employees, contractors, suppliers (and their employees and contractors), community members, other stakeholders and the public to bring allegations of issues and inappropriate behaviour to the attention of senior management. Subject to local law, reports to myVoice can relate to any topic including concerns about material violations of laws or company standards, policies or procedures. More information on myVoice, including how people can report concerns anonymously, is available on our designated [myVoice website](#) and on our broader [Ethics and Compliance webpage](#).

Our supplier code of conduct confirms suppliers can access myVoice and encourages suppliers to report breaches of the supplier code of conduct or *The Way We Work*. Our supplier code of conduct encourages suppliers to maintain policies and practices to allow violations, misconduct or grievances to be reported by workers and addressed without fear of retaliation. Where there is a suspected breach of the supplier code of conduct, suppliers are required under the standard global supply contract to notify Rio Tinto either directly or via myVoice, as well as provide assistance if we decide to investigate.

In 2020, we established the Business Conduct Office, a dedicated team responsible for managing the whistleblower programme, which, that same year, reviewed 748 incidents. The issues raised broadly relate to personnel, business integrity, information security, safety, health and environment, communities and finance. The personnel cases in 2020 included issues relating to benefits and compensation, discrimination and bullying and harassment. The cases involving suppliers largely related to alleged conflicts of interest between suppliers and employees. We are not aware of any modern slavery-related issues raised via our whistleblowing channels in 2020.

The myVoice system allows for the reporting and addressing of modern slavery-related concerns including through the unfair labour practice issues grievance category; there is also a separate sub-category for child labour-related complaints. These categorisations help ensure these types of complaints can be quickly identified and addressed.

While we believe the absence of modern slavery-related complaints may be a positive reflection of our preventative efforts in this area, we understand we must continuously ensure that stakeholders trust our grievance mechanisms. Similarly, we understand the importance of ensuring those who manage our grievance mechanisms, including those who receive complaints, are appropriately trained to identify the signs of modern slavery, even when they are not identified as such by complainants.



**Our supplier code of conduct encourages suppliers to maintain policies and practices to allow violations, misconduct or grievances to be reported by workers and addressed without fear of retaliation.**

5. In March 2021, myVoice replaced Rio Tinto's whistleblowing programme Talk to Peggy.

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# Our Training and Capacity Building

Our employees and contractors are our first line of defence in identifying and helping us address any instances of modern slavery. It is imperative they understand the key signs of modern slavery, particularly those colleagues most likely to be exposed to it. We use a variety of different forums and tools to raise this awareness.

Our communities and social performance standard requires all sites to train employees, contractors and visitors (such as other suppliers) on human rights. Sites have flexibility in what training they provide – for example, during the year, one of our exploration sites included discussions about forced labour in a human rights training session for key staff, as a result of being aware of related risks in the local context. In 2021, we plan to provide our operational sites with more tools to address modern slavery risks in this training.

Our online Group-wide human rights training programme includes information on labour rights, including modern slavery. It will be updated in 2021. We will also incorporate human rights content into sustainability and communities and social performance training modules.

Our training for security providers under our commitment to the [Voluntary Principles on Security and Human Rights](#) (VPSHR) supports security providers to identify and report instances of modern slavery (including where the victims are children). Our VPSHR training course includes specific material focusing on children's rights and the worst forms of child labour. The training course also incorporates

information about protecting women's rights, including in relation to modern slavery. More information on our security and human rights training programme, including training provided in 2020, is available on our website and our annual report on VPSHR implementation.

In 2020, we conducted modern slavery training for our Procurement function and the Third-party Due Diligence Team. This training was attended by around 45% of the global Procurement team and approximately 75% of the Third-party Due Diligence team. A recording was also placed on our internal, Group-wide communications channels.

In 2021, completion of an online training module focused on human rights, including modern slavery, will be mandatory for all Procurement employees (including Logistics). Our Marine team will also provide modern slavery awareness-raising sessions to its employees.

We have also been encouraging teams across the Group to do monthly "modern slavery shares" – of relevant issues they may have encountered – at the start of team meetings. This activity is meant to build awareness across the company of how modern slavery may manifest.



QIT Madagascar Minerals

### Case study

## Creating more meaningful and practical training

Our modern slavery training sessions for Procurement provided participants with an understanding of modern slavery, including:

- What modern slavery is;
- Categories and countries where we may have risks;
- An outline of why managing modern slavery risks is important;
- An overview of our approach; and
- Clear actions that can be taken.

To ensure participants understood how the risk management approaches apply to their day-to-day roles, we included a live discussion with our Human Rights expert and a regional Sourcing team manager. This included the approach the regional Sourcing team was taking to identify and address modern slavery-related risks with suppliers, how sensitive discussions with suppliers were approached, the impact of COVID-19 on modern slavery risks and challenges and successes relating to ongoing monitoring.

We issued a survey to gather feedback from participants:

- 50% of respondents felt they were better equipped to identify instances of modern slavery;
- The majority of respondents felt they would benefit from additional training; and
- Respondents identified opportunities for supplier awareness raising through “supplier frequently asked questions” to support our supplier code of conduct and a video on our website educating suppliers on modern slavery.

This feedback will inform ongoing Procurement training initiatives and provided insight on how we could increase supplier capacity.

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## Our Multi-stakeholder Collaboration and Engagement

We engage with peers, investors, civil society, workers' organisations and business partners on issues related to human rights, including modern slavery. We encourage government efforts, especially in countries in which we have operations, to help business prevent and address their involvement in modern slavery.

This year we also participated in multi-stakeholder forums to discuss human rights issues such as modern slavery, including:

- [International Council on Mining & Metals \(ICMM\)](#)
- [UN Global Compact](#) (including the [Global Compact Network Australia's Modern Slavery Community of Practice](#))
- [UN Annual Forum on Business and Human Rights](#)

We also continued to participate in multi-stakeholder whole of value chain initiatives including as a member of the ASI's human rights working group.

Recognising the links between respect for broader labour rights and preventing modern slavery, we continue to engage with workers' organisations at local and global levels. For example, we continued to engage and strengthen our relationship with [IndustriALL](#), a global trade union federation representing more than 50 million workers in more than 140 countries. In 2020, we held three meetings with our Industrial Relations Steering Committee, a transnational forum that brings together Rio Tinto representatives, major trade unions and IndustriALL. One meeting was dedicated to a full review of our COVID-19 prevention plans and initiatives to support communities and contractors for each of our regions.

We also commenced discussions with the International Labour Organization's mining sector experts, with the support of IndustriALL leadership, to explore how we could benchmark or share some of our labour rights initiatives.

We also continued to engage with investors, both collectively and bilaterally, on salient human rights issues.

In 2020, we ranked third overall, and second in our sector, in the World Benchmarking Alliance's [Corporate Human Rights Benchmark](#) (CHRB). The CHRB ranks 230 of the world's largest companies on their human rights policies and performance and includes modern slavery-related indicators. While we were pleased with this ranking, we know we need to keep working and continue to improve our performance, including around modern slavery and living wage-related areas. We also note that the CHRB has appended a [statement](#) to our [2019](#) and [2020](#) results on the 2020 events at Juukan Gorge.

During 2020, we participated in the CHRB's separate [COVID-19 company survey](#). We also participated in the [Workforce Disclosure Initiative](#) (WDI) survey, and engaged with WDI in 2020 to discuss how we can better demonstrate the work we do through our survey responses.

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# Assessing our Effectiveness

We are focused on continual improvement and understand the importance of assessing the effectiveness of the actions we are taking to assess and address modern slavery risks. Tracking our effectiveness is also a key aspect of broader human rights due diligence, as set out in the UNGPs.

We understand an effective response to modern slavery to be one in which we can identify current and emerging risk areas and address any instances of harm in line with the UNGPs.

However, assessing the effectiveness of our actions is complex. Further work and collaboration are required by companies, governments, civil society and other stakeholders to develop meaningful and consistent frameworks and methodologies. We look forward to continuing to engage in external fora to contribute to this work.

### Tracking our performance

Tracking our performance helps ensure continual improvement of our modern slavery mitigation processes and practices.

While strategic reviews help us address strategic risks at a Group level, an important tool at the community level is effective grievance mechanisms, which help identify systemic issues, in turn enabling us to evolve preventative measures as well as address complaints. However, these only work if the mechanisms themselves are trusted and secure. As noted above, our whistleblowing programme and community focused site-level complaints, disputes and grievance mechanisms are key channels for employees and contractors to raise complaints.

Our internal assurance processes also help us track our performance. For example, as noted above, our business conformance audits, carried out by internal subject matter experts, assess sites' or functions' compliance with sustainability standards and procedures. This includes looking at human rights issues. Our human rights certification of our Commercial function specifically

focused on how we are implementing human rights policies and procedures, including in relation to modern slavery, across our Procurement, Logistics and Marine teams. As noted above, these certification exercises identified that improvements could be made to third-party vetting and other forms of due diligence.

Other relevant processes include our employee relations case management system, which tracks a range of labour-related issues that have been investigated and any actions taken in response.

Tracking the implementation of our Know Your Supplier procedure is a vital part of managing our modern slavery risks. Under the procedure, colleagues who receive a due diligence report with mitigation actions are responsible for their implementation. Mitigation actions may include visits to the supplier, including independent audits. Steps taken to implement mitigation measures must be documented in line with Group procedures.

In 2021, we will conduct a Group internal audit of the policies and processes in place to support implementation of our external human rights commitments. This will include consideration of modern slavery-related controls across the Group.

We believe that the dialogue we maintain between specialist Human Rights teams and relevant functions and sites on modern slavery continues to produce results. Enquiries about and assessment on third parties including suppliers made by the Third-party Due Diligence team and Procurement specialists have become more informed, particularly in relation to assessing, mitigating and managing modern slavery risks for new suppliers.

We also actively participate in certification schemes (such as the ASI, under which 22 of our aluminium value chain sites have been certified) and other voluntary initiatives to validate company performance on human rights (such as the ICMM Performance Expectations). These help us to assess our practices while also helping us to identify opportunities for improvement at the Group and asset level. Both the ASI and ICMM initiatives contain indicators on preventing involvement in forced and child labour. In 2020, our engagement with these certification schemes did not identify any instances of modern slavery.

More broadly, our ongoing engagement with peers, investors, civil society, workers' organisations and business partners on issues related to human rights, including modern slavery, provides opportunities to learn from others and discuss shared challenges.

#### Continuing to strengthen our approach

Implementing our modern slavery risk management approach in practice is an ongoing process focused on continual improvement. Areas we will be focusing on include:

- Building capacity to ensure that our employees and contractors have the necessary skills to implement our policies and procedures on the ground;
- Better understanding of our resourcing needs for evolving supplier and other third-party engagement, particularly as more information on their modern slavery risk management processes is shared with us; and
- Aiming for more consistent risk-based processes across the Group relating to both third-party screening and ongoing monitoring, including relating to third-party site visits and audits.

## ASI/ICMM expectations in relation to forced and child labour

The ASI and ICMM have clear expectations in relation to forced and child labour. We are regularly assessed against these expectations.

The ASI Performance Standard has 59 environmental, social and governance principles and criteria, which aim to address sustainability across the aluminium value chain. This provides a common standard for the aluminium value chain on ESG performance. The Performance Standard has a strong focus on human rights, including that entities shall uphold decent work and the human rights of workers and treat them with dignity and respect. This includes requirements that entities neither use nor support the use of forced or child labour.

The ICMM Mining Principles comprise 10 principles for sustainable development, which focus on social and environmental requirements, including labour rights and access to grievance mechanisms. Principle Three commits members to respect human rights and the interests, cultures, customs and values of employees and communities affected by their activities. The performance expectations under this principle include respecting the rights of workers by: not employing child or forced labour; avoiding human trafficking; not assigning hazardous/dangerous work to those under 18; and providing a mechanism to address workers' grievances.





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# Consultation Across our Business

In 2020, we engaged key assets and functions on human rights, including modern slavery, in a range of ways, including:

- Business conformance audits;
- Communities and social performance and human rights certification processes;
- Training activities; and
- Discrete human rights-related support including around supplier due diligence.

These activities help embed our human rights approach across the Group.

As noted in the “About this Statement” section, this Statement was developed in consultation with key functions including External Affairs, Communications, Ethics & Compliance, Communities and Social Performance, Group Security, Human Resources, Investor Relations, Legal and Commercial (including Marine, Procurement and Logistics), each of which has a key role in implementing our human rights approach.

**In preparing this Statement, we briefed the Boards of the reporting entities under the Australian MSA covered by this Statement on their responsibilities under the legislation (in most cases through a targeted Board presentation) and the contents of the Statement and engaged with them in relation to their entities’ implementation of key policies and processes.**

In preparing this Statement, we briefed the Boards of the reporting entities under the Australian MSA covered by this Statement on their responsibilities under the legislation (in most cases through a targeted Board presentation) and the contents of the Statement and engaged with them in relation to their entities’ implementation of key policies and processes. These Boards were also given the opportunity to review the draft Statement. A number of issues were discussed in these briefings including around implementation of our human rights due diligence and internal assurance processes, and awareness-levels within some entities about these processes. We also engaged with other owned and controlled entities which are not reporting entities under the Australian MSA through our Company Secretariat team.

As a general rule all the information provided to comply with the Australian MSA mandatory reporting criteria applies to all reporting entities unless we are aware of a reporting entity having different policies or processes to identify and manage modern slavery risks to ours, and therefore have provided further information. The consultation process showed there is more we could do to build capacity with all of our reporting entities to identify and manage their modern slavery risks and we aim to further engage with these entities in 2021.

The consultation process also included specific engagement with key personnel at Energy Resources of Australia Limited and Queensland Alumina Limited (both of which are reporting entities under the Australian MSA) to discuss their approaches to assessing and addressing modern slavery risks (see additional information below). Their Boards were also briefed on the Australian MSA and provided with an opportunity to review a draft Statement.

As referenced above, within our Group, two non-managed companies are reporting entities under the Australian MSA: Energy Resources of Australia Limited (ERA) and Queensland Alumina Limited (QAL). Additional information is provided below in relation to their modern slavery approaches to fulfil their reporting obligations under the Australian MSA, including noting where these entities follow key Rio Tinto policies and procedures and key differences in approaches. We plan to further engage with ERA and QAL in 2021 around their modern slavery risk management and reporting.

### ERA

ERA, which is 86.3% owned by Rio Tinto, operated the Ranger uranium mine located in the Northern Territory of Australia, and produced uranium oxide for the global nuclear energy market. ERA ceased mining and processing activities in the Ranger Project Area in January 2021. ERA is progressively rehabilitating the Ranger site with final rehabilitation to be completed by January 2026. ERA employs 176 staff and 21 contractors.

During the reporting period, ERA's total spend was A\$204,570,332 with 628 suppliers located in seven countries. The main categories of spend were diesel fuel, industrial chemicals (acid and lime), equipment maintenance, engineering services and accommodation services.

Key Rio Tinto policies, standards and processes apply to ERA. This includes *The Way We Work* and the human rights policy and ERA employees are required to complete Rio Tinto's mandatory ethics and compliance training. Rio Tinto's communities and social performance standard also applies to ERA, and community and social performance business conformance audits are periodically performed in relation to ERA.

ERA follows Rio Tinto's policies and processes with regard to supplier due diligence, with ERA's suppliers being screened by Rio Tinto's Ethics & Compliance team under the Know Your Supplier procedure. ERA also uses Rio Tinto's standard supplier contract and purchase order terms, including the modern slavery provisions outlined earlier in this Statement.

Rio Tinto's whistleblowing service, myVoice, applies to ERA and is available to ERA stakeholders.

Additional information about ERA can be accessed in ERA's [2020 Annual Report](#).

### QAL

QAL is one of the largest alumina refineries in Australia, producing some 3.80 million tonnes of the world's best smelter grade alumina per year, that is used locally by Boyne Smelters Limited and shipped across the globe. QAL's refinery is located in Gladstone, Queensland. Its operations include a wharf and storage facility on South Trees Island. QAL employs approximately 1,000 staff and 250 contractors.

QAL produces alumina on behalf of two aluminium companies: Rio Tinto (80%) and Rusal (20%).

During the reporting period, QAL's total spend was A\$1.09 billion with 835 suppliers located in 11 countries. The main categories of spend were procurement of raw materials and energy (caustic soda, coal, gas, water, power, lime), maintenance materials (valves, pipework), operating supplies (fuels & lubricants) and project materials for capital expenditure.

QAL has adopted various Rio Tinto policies and processes including *The Way We Work* and the communities and social performance standard, as well as incorporating a number of Rio Tinto standards and expectations into its own policies and processes. QAL's ethics and integrity training module covers *The Way We Work*, including its human rights elements. Business conformance audits against Rio Tinto's communities and social performance standard are periodically performed in relation to QAL.

QAL replicates Rio Tinto's policies and processes with regard to supplier due diligence, with QAL's new suppliers being screened by Rio Tinto's Ethics & Compliance team under the Know Your Supplier procedure. QAL also undertakes additional screening focused on suppliers' financial status in certain circumstances.

QAL's supplier code of conduct sets out the company's expectations of suppliers and includes specific clauses on child labour, forced or compulsory labour, freedom of association, living wage, non-discrimination and treatment of employees.

QAL has its own community grievance mechanism (ROCS) available 24/7 via phone and online. During the reporting period, no supplier, modern slavery or other labour issues were raised through this mechanism. QAL also has a whistleblower service and an independent grievance service called Speak Out which is available to employees and contractors.

Additional information about QAL can be accessed on its [website](#).

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# Looking Ahead

We recognise that preventing and addressing modern slavery risks in our operations and supply chains requires long-term planning and vigilance. It also requires an integrated, cross-functional approach embedded across our organisation. Internal and external partnerships are vital to addressing our own potential involvement in modern slavery, as well as to achieve international and domestic policy coherence. We have also been pleased to see various initiatives by the mining sector in 2020 to address sector-wide risks, including the Minerals Council of Australia's [Guidance to assist mining companies to identify and manage modern slavery risks associated with the COVID-19 pandemic](#).

## In 2021 we will focus on:

### Building our capability

- Develop mandatory online training for Procurement to increase understanding of our modern slavery risks and the unique role Procurement can play in helping to tackle them;
- Conduct targeted modern slavery training for the Sales and Marketing and Marine teams;
- Continuing proactive supplier engagement to enhance knowledge of human rights, including modern slavery and other core labour rights issues;
- Ensuring the wider business, including site-based teams, has access to information and reference materials around how to identify and address modern slavery.

### Understanding and acting on our modern slavery risks

- Looking at how to best target risk management activities relating to suppliers based on the 2020 labour rights supplier risk assessment analysis.
- Refining our definition of high-risk activities and country risk classification as part of the new Know Your Third-Party procedure.

### Refreshing our control framework

- Reviewing and updating our human rights policy and control management framework (including considering further how modern slavery fits within our salient human rights impacts) and communities and social performance standard;
- Embedding any changes to our policies and standards through targeted business-wide training;
- Strengthening asset-level implementation of global and site-specific grievance mechanisms.

We are confident these steps will support our continued multi-faceted approach to preventing and addressing modern slavery, at our own operations and across our supply chains. But we know there is more to do – and we will continue to work and seek progress on this global issue through meaningful and effective action, both across our business and in partnership with others.

# Appendix 1: How We Are Addressing the UK and Australian Reporting Criteria

UK Modern Slavery Act recommended reporting criterion	Australian Modern Slavery Act mandatory reporting criterion	Reference in this statement	Examples from this Statement addressing reporting criterion
Organisation's structure, its business and its supply chains.	Identify the reporting entity.	About this statement Section 2 Appendix 2	<ul style="list-style-type: none"> <li>List of reporting entities under Australian MSA and UK MSA</li> <li>Description of our structure, business and supply chains, including key products, countries of operation, and main country locations of suppliers</li> </ul>
As above.	Describe the reporting entity's structure, operations and supply chains.	As above	<ul style="list-style-type: none"> <li>As above</li> </ul>
Parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 4	<ul style="list-style-type: none"> <li>Description of modern slavery risk areas across our business and global supply chains</li> <li>Case study on temporary labour</li> <li>Case study on Marine function mitigating risks during COVID-19</li> </ul>
Organisation's policies in relation to slavery and human trafficking; its due diligence processes in relation to slavery and human trafficking in its business and supply chains; the training about slavery and human trafficking available to its staff.	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Section 3 Section 4 Section 5 Section 6 Section 7 Section 9	<ul style="list-style-type: none"> <li>Explanation of our policies and governance, including links to UNGPs</li> <li>Overview of how we assess modern slavery risks, including engagement with a third-party provider</li> <li>Description of our due diligence processes, including tools we use to identify high-risk countries, goods and services</li> <li>Case study on engaging with suppliers on labour policy implementation</li> <li>Accessibility and operation of grievance mechanisms to address modern slavery-related complaints</li> <li>Information about our training programmes</li> <li>Case study on creating more meaningful and practical training</li> <li>Outline of our multi-stakeholder collaboration and engagement</li> <li>Overview of approaches taken by our controlled but non-managed companies to managing modern slavery risks</li> </ul>
Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Describe how the reporting entity assesses the effectiveness of such actions.	Section 8	<ul style="list-style-type: none"> <li>Explanation of processes we use to track our performance, including grievance mechanisms, internal assurance processes, communities and social performance targets and cross functional engagement and dialogue</li> </ul>
N/A	Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement.	Section 9	<ul style="list-style-type: none"> <li>Explanation of consultation across our business</li> </ul>
N/A	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Section 7 Section 10	<ul style="list-style-type: none"> <li>Outline of our multi-stakeholder collaboration and engagement</li> <li>Overview of future action we will take to progress modern slavery risk management</li> </ul>

## Appendix 2: Our Reporting Entities

This Statement is made on behalf of Rio Tinto Limited (ABN 96 004 458 404) (an Australian MSA reporting entity) and Rio Tinto plc (a UK MSA reporting entity) (the Australian and UK listed parent companies (respectively) of the Rio Tinto dual listed companies structure and the Group's major holding companies) and the following entities:

Entity	Description
<b>Australian MSA reporting entities</b>	
Alcan Primary Metal Australia Pty Ltd (ABN 25 055 787 909)	Tomago Aluminium Joint Venture participant (holds 36.05% interest).
Alcan South Pacific Pty Ltd (ABN 47 009 726 078)	Holds a bauxite mining lease in Cape York (Weipa) and is party to the Alcan Reorganisation Act (Qld).
Argyle Diamonds Limited (ABN 36 009 102 621)	Owns the Argyle diamond mine which mines and processes diamonds which has ceased production. Managing decommissioning of the mine, rehabilitating the site and other closure activities.
Boyne Smelters Limited (ABN 90 010 061 935)	Incorporated joint venture vehicle for the BSL Joint Venture (Rio owned 59.343%) which operates the BSL aluminium smelter on behalf of and as agent for the participants in the joint venture.
Cathjoh Holdings Pty Limited (ABN 64 094 265 871)	Tomago Aluminium Joint Venture participant (holds 15.5% interest).
Channar Mining Pty Ltd (ABN 48 009 127 039)	Channar Mining JV participant and raises finance for the joint venture.
Dampier Salt Limited (ABN 30 008 706 590)	Joint venture company which owns and operates the Dampier Salt business (Rio Tinto owns 68.36% interest).
Energy Resources of Australia Limited (ABN 71 008 550 865)	ASX listed company which operates the Ranger uranium mine which has ceased production (Rio Tinto hold 86.3% interest)
GPS Energy Pty Limited (ABN 36 063 207 456)	Gladstone Power Station Joint Venture participant (holds 22.125% interest).
GPS Nominee Pty Limited (ABN 49 063 213 552)	Holding company of a Gladstone Power Station Joint Venture participant.
GPS Power Pty. Limited (ABN 34 009 103 422)	Gladstone Power Station Joint Venture participant (holds 20% interest).
Hamersley Iron - Yandi Pty Limited (ABN 56 009 181 793)	Holds Yandicoogina mineral leases.
Hamersley Iron Pty. Limited (ABN 49 004 558 276)	Undertakes mining and transportation of iron ore, invests surplus funds and provides services to the Channar Mining Joint Venture and Boa-Hamersley Iron Joint Venture.
Hamersley WA Pty Ltd (ABN 53 115 004 138)	Participant in the unincorporated joint venture for the development of the Hope Downs deposits in the Hope Downs Joint Venture (50% interest).
Hope Downs Marketing Company Pty Ltd (ABN 58 115 712 117)	Undertakes marketing for the Hope Downs Joint Venture (Rio Tinto holds 50% interest).
Johcath Holdings Pty Limited (ABN 62 094 265 862)	Holding company of a Tomago Aluminium Joint Venture participant.
North Mining Limited (ABN 78 000 081 434)	Owns interest in Robe River Iron Associates Joint Venture (holds 35% interest) which undertakes iron ore mining.
Pacific Aluminium Pty. Limited (ABN 57 008 447 943)	Holding company of 100% interest in Rio Tinto Aluminium (Holdings) Limited and 68% interest in Dampier Salt Limited.
Pechiney Consolidated Australia Pty Limited (ABN 39 076 569 769)	Holding company of a Tomago Aluminium Joint Venture participant.
Pilbara Iron Company (Services) Pty Ltd (ABN 35 107 210 248)	Supports Pilbara Iron Pty Ltd in the provision of administration services.
Pilbara Iron Pty Ltd (ABN 75 107 216 535)	Operates the various infrastructure and non-infrastructure assets formerly owned and/or operated by each of Hamersley Iron Pty Ltd and the Robe River Associates Joint Venture.
Queensland Alumina Limited (ABN 98 009 725 044)	Incorporated joint venture vehicle for the QAL Joint Venture (Rio owned 80%) which operates the QAL alumina refinery on behalf of and as agent for the participants in the joint venture.
Ranges Mining Pty Ltd (ABN 62 100 334 263)	Joint venture partner with Baosteel to develop the Eastern Range (holds 54% interest).
Rio Tinto Aluminium (Bell Bay) Limited (ABN 91 009 483 201)	Operates the Bell Bay aluminium smelter.
Rio Tinto Aluminium (Holdings) Limited (ABN 37 004 502 694)	Holding company of companies involved in bauxite mining, alumina production and primary aluminium smelting.
Rio Tinto Aluminium Bell Bay Sales Pty Limited (ABN 11 160 684 391)	Sales entity for the Bell Bay aluminium smelter.

Entity	Description
Rio Tinto Aluminium Limited (ABN 51 009 679 127)	Boyne Smelters Limited Joint Venture participant (holds 51.85% interest), Queensland Alumina Limited Joint Venture participant (holds 38.61% interest) and Australian holding company for aluminium assets including RTA Weipa Pty Ltd and RTA Yarwun Pty Ltd which operate the Weipa bauxite mine and the Yarwun alumina refinery respectively. Foundation Member of Developing East Arnhem Limited (DEAL).
Rio Tinto Services Limited (ABN 62 004 219 738)	Provides internal corporate administration and general services for the Rio Tinto Limited group of companies, predominantly in Australia.
Rio Tinto Shared Services Pty Limited (ABN 69 113 306 077)	Provider of shared transactional services in Australia including financial services, human resources and facilities management.
Robe River Mining Co. Pty. Ltd. (ABN 90 008 478 493)	Holds 30% interest in and manages Robe River Iron Associates Joint Venture.
RTA AAL Australia Limited (ABN 13 008 589 080)	Holding company for aluminium assets including Swiss Aluminium Australia Limited which operates the Gove bauxite mine and facilities.
RTA Boyne Limited (ABN 22 008 650 600)	Boyne Smelters Limited Joint Venture participant (holds 7.49% interest).
RTA Holdco Australia 1 Pty Ltd (ABN 17 128 762 318)	Holding company including of RTA AAL Australia Limited.
RTA Holdco Australia 5 Pty Ltd (ABN 38 128 785 599)	Queensland Alumina Limited Joint Venture participant (holds 41.39% interest).
RTA Pacific Pty Limited (ABN 35 004 546 436)	Holding company including of Pacific Aluminium (New Zealand) Limited.
RTA Weipa Pty Ltd (ABN 54 137 266 285)	Owns and operates the Weipa bauxite mine and facilities and operates the Weipa Town Authority and Cape Kids Child Care, and holds mining leases in Weipa.
RTA Yarwun Pty Ltd (ABN 73 137 266 301)	Owns and operates the Yarwun alumina refinery.
RTPDS Aus Pty Ltd (ABN 21 099 346 899)	Manages investments in related entities including receiving "dual listed company dividends" from Rio Tinto Limited.
Swiss Aluminium Australia Limited (ABN 92 008 589 099)	Owns and operates the Gove bauxite mine and facilities and member of Nhulunbuy Corporation Limited.
Technological Resources Pty. Limited (ABN 12 002 183 557)	Holds trademarks and patents in relation to mine technology innovation.
UK MSA reporting entities	
Borax Europe Limited	Markets and distributes borates, mainly throughout Europe.
Rio Tinto Escondida Ltd	Holds 30% interest in Minera Escondida Limitada, the owner of a large open pit copper mine in Chile.
Rio Tinto European Holdings Ltd	Investment holding company for the Group.
Rio Tinto London Limited	Performs services on behalf of other Group companies and sponsoring employer for a number of UK pension schemes.
Rio Tinto OT Management Limited	Re-charges the Group services and international assignee (expatriates) labour costs, at cost, in connection with the Group's role to provide operational services to the OT project. Charges a management fee for provision of management services in relation to the project.

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