

# Rio Tinto

## The need to join hands Sustainable Mining Initiative - India

Dr Nik Senapati

Managing Director – Rio Tinto India

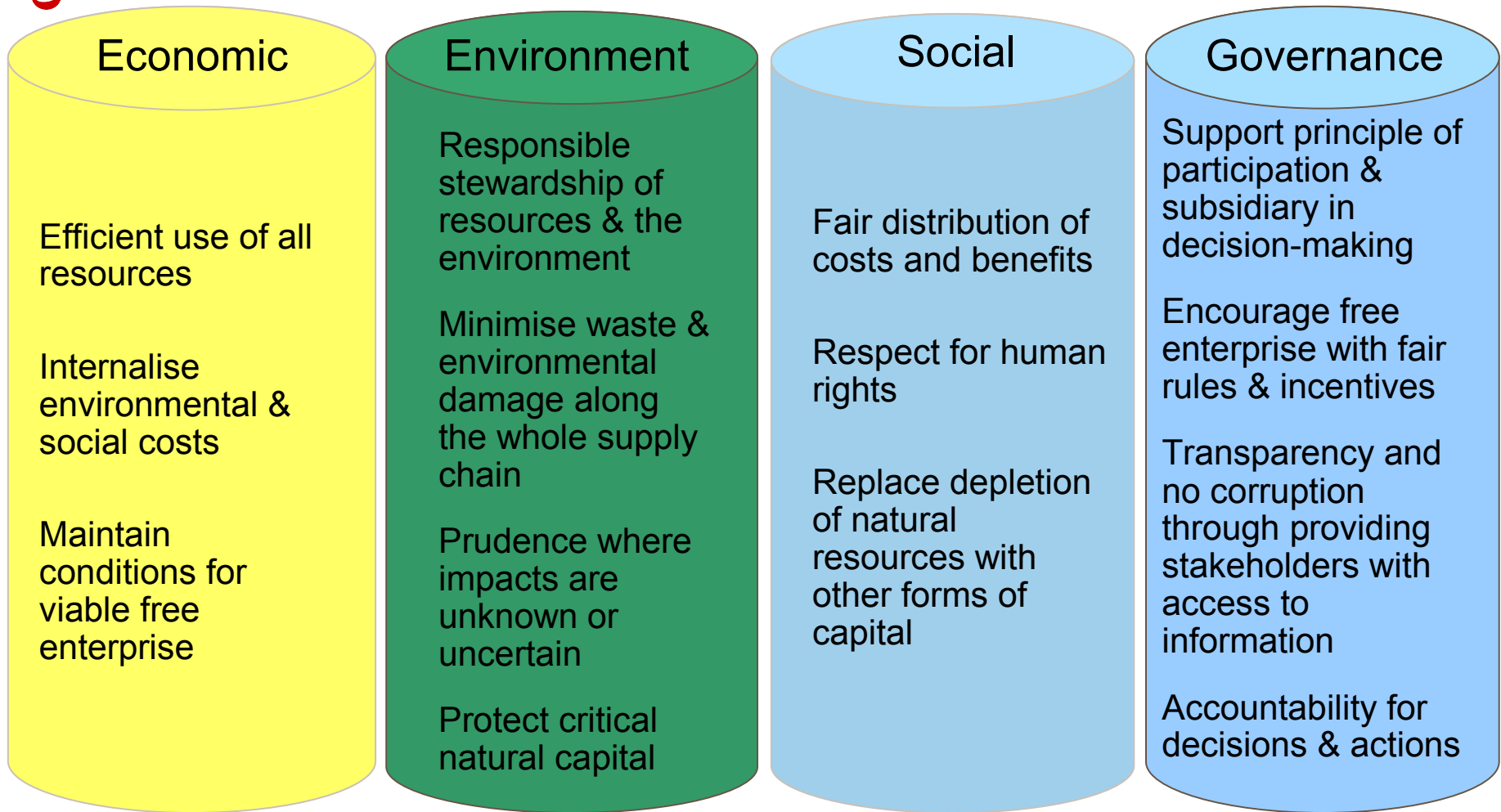
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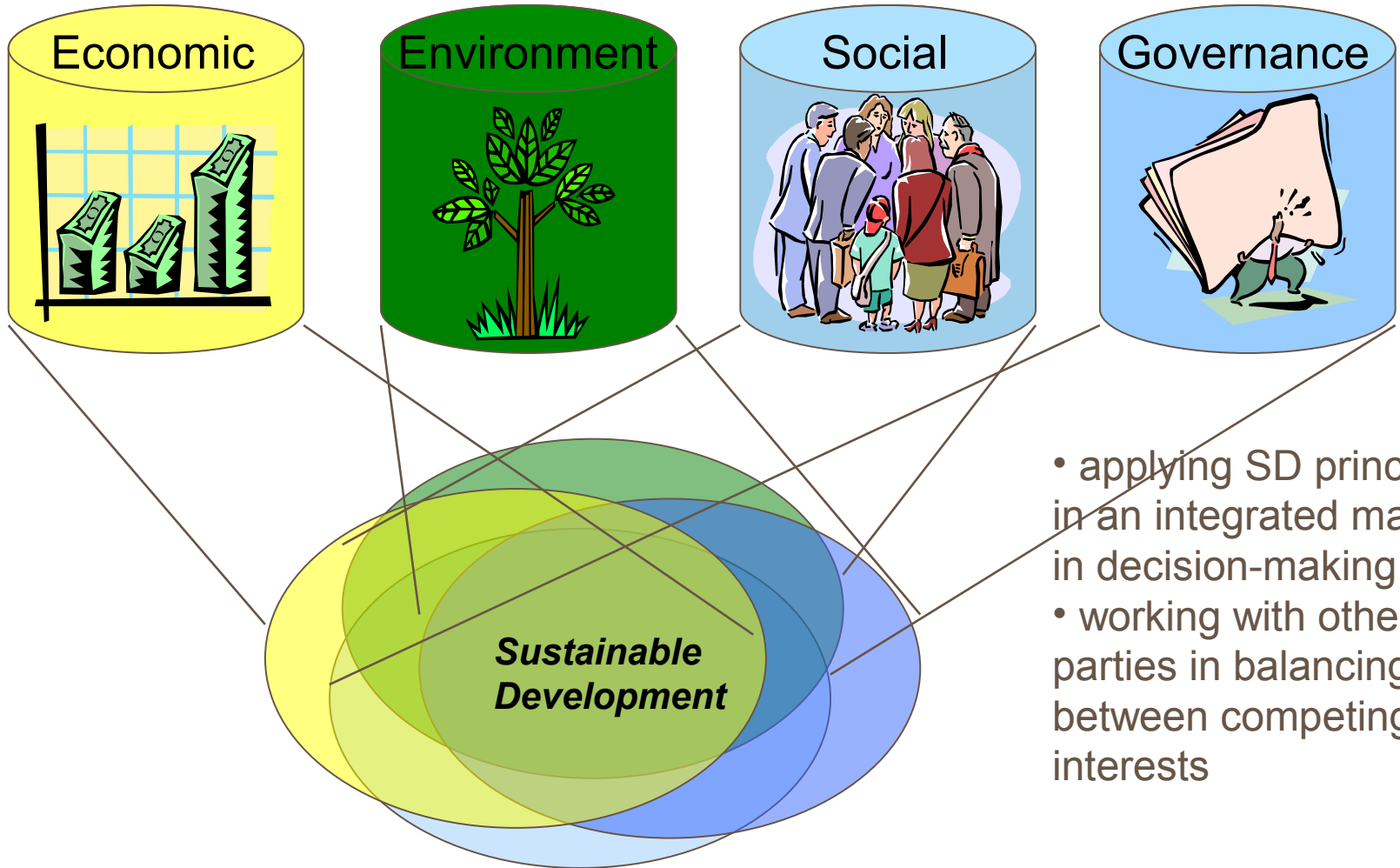
# Agenda

- Rio Tinto context
- Perception in the 90s
- Global Mining Initiative
- Sustainable Mining Initiative - India

# Sustainable development principles



# Key challenge: Moving from pillars to integration ...

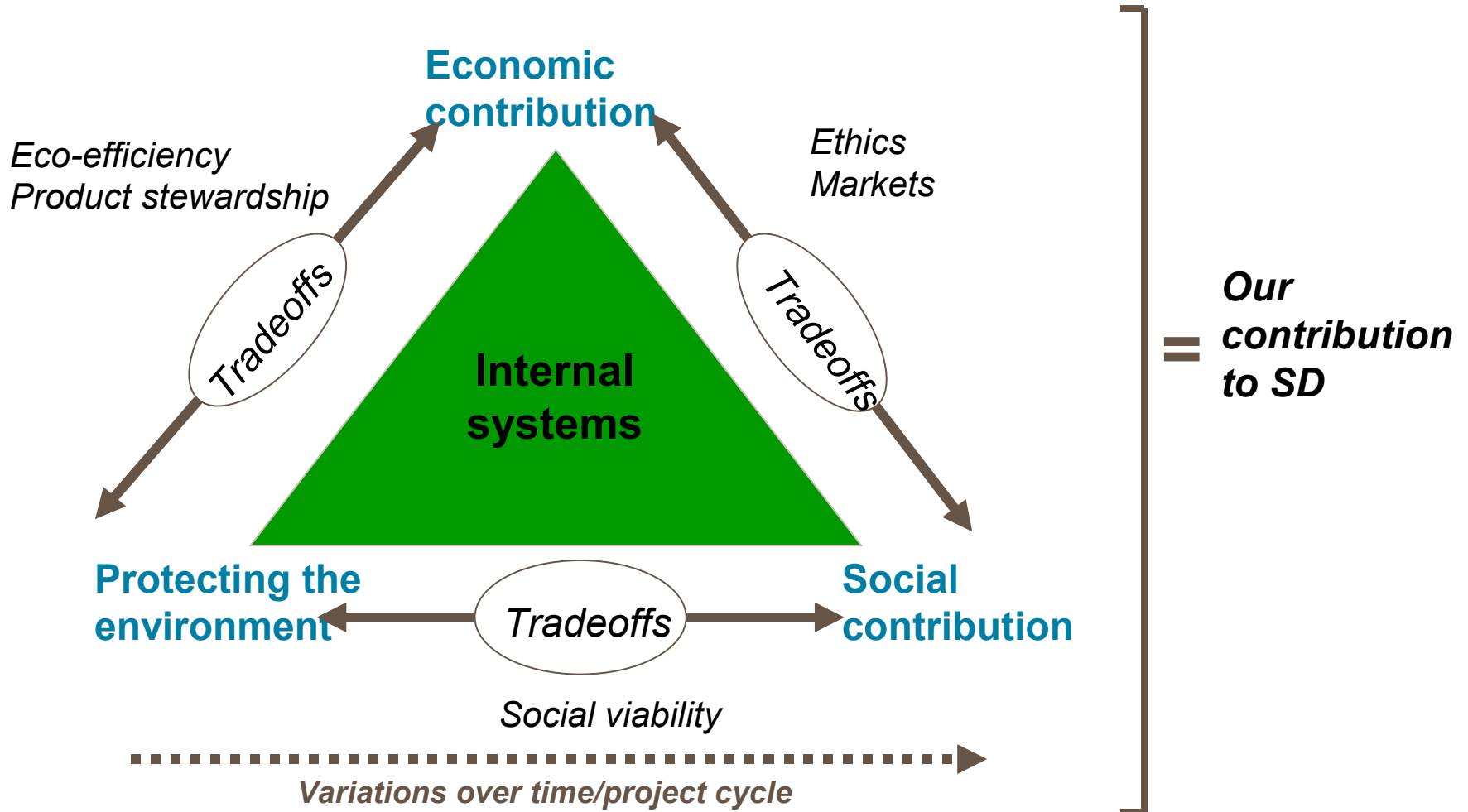


- applying SD principles in an integrated manner in decision-making, and
- working with other parties in balancing between competing interests

# Rio Tinto's guides to meeting society expectations



# Using an integrated framework



# Perception of serious long-term strategic threats

- Perceived poor environmental and social performance of the mining industry leading to growing 'popular prejudice' across society
- Threats regarding future and ongoing access to markets, resources, capital, people, etc
- Evolving institutional investment decision criteria excluding mining & metals
- Potential market threats arising from societies evolving SD values shift

# The Global Mining Initiative (GMI)

- Industry-initiated programme of work aimed at improving the contribution of the mining & metals industry to sustainable development.
- Three parallel elements:
  - **ICMM:** The creation of a global institution to carry forward the outcomes and engage in ongoing dialogue with society
  - **MMSD Report:** A thorough analysis of the key issues facing the industry and recommendations for how they could be addressed
  - **Toronto GMI Conference:** A strategy conference involving industry and stakeholders to discuss the way forward
- Commenced in 1999, completed during 2002 (World Summit for Sustainable Development)

# *We live in changing times and expectations...*

## **Mining economies pre 90's:**

- Governments responsible for community
- Legalistic approach to the 'licence-to-operate'



## **International experience:**

- Social and environmental failures involving mining companies
- Important lessons were learned



## **Globally from mid 1990s – a new direction:**

- effective engagement with communities – a social 'licence-to-operate'
- interdependency between business and its communities
- focus on development of sustainable solutions

*Our licence to operate and long-term success require that we conduct activities and operations in a manner consistent with societies' values and expectations*

# What is expected?

*“To ensure that Rio Tinto businesses, operations & products contribute to the global transition to SD”*

## **Make (and demonstrate) the SD case for the business:**

- Determine what sustainable development means to the business - risks and opportunities
- Engage with stakeholders and examine what measures, targets and reporting requirements are necessary
- Include sustainable development principles in business plans and decision-making
- Investigate how social, environmental, economic and governance issues can be integrated

**Integrate SD thinking into everything we do and use it to create value.**

# Mining in India

- India produces 86 minerals
  - 4 Fuel
  - 10 Metallic
  - 46 Non Metallic
  - 3 Atomic
  - 23 Minor minerals
- Annual tonnage mined – 900 million tonnes
- Assuming a strip ratio of 6:1 it means 5400 million tonnes are moved annually
- Inevitably there will be an environmental and social impact

# Indian mining companies have joined hands to form the Sustainable Mining Initiative

- NMDC
- ACC
- Essel Mining
- Sesa Goa
- Hindustan Zinc Ltd
- Tata Steel
- MSPL
- Rungta Mining
- Nalco
- Rio Tinto

# Sustainable Mining Initiative – India

## The Sustainable Mining Principles

### **Ethical Practices & Corporate governance**

1. Integrate sustainable development considerations within the corporate decision-making process.
2. Conduct businesses with ethical practices and sound systems of corporate governance.

### **Environment, Health and Safety**

4. Implement risk management strategies based on valid data and sound science.
5. Seek continual improvement in health and safety performance.
6. Seek continual improvement of our environmental performance based on a precautionary approach.

# Sustainable Mining Initiative – India

## The Sustainable Mining Principles

### Protecting Human Rights

2. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.

### Biodiversity Management

4. Contribute to conservation of biodiversity and integrated approaches to land use planning and management.

### Responsible Use of Mined Out Resources

6. Facilitate and encourage responsible, use, reuse and recovery of mined materials including associated natural resources.

# Sustainable Mining Initiative – India

## The Sustainable Mining Principles

### Community Involvement & Development

- Contribute to the social, economic and institutional development of the communities in which we operate.
- Implement effective and transparent engagement, communication and verifiable reporting arrangements with our stakeholders.

# Plan for Implementation

Plan for implementing the action points include:

- Delivering training programmes on diverse aspects of sustainable development
- Preparation and publication of manuals, guides, periodicals and reports
- Organization of workshops and conferences
- Advisory services for implementation of Sustainable Mining Management System
- Organizing interactive meets with different stakeholders
- Carrying out few focused studies
- Disseminating information on sustainable mining technology and practices

# Thank you



# The Key Action Points for Implementation of Sustainable Mining Principle

## Ethical Practices & Corporate Governance

### Principle 1:

- Integration of sustainable principles into company policies.
- Plan, design, operate and close operations to enhance sustainable development.
- Encourage & ensure good practice and innovation to improve sustainable performance.
- Encourage customers, business partners and suppliers of goods and services to adopt principles that are comparable to international standards.
- Provide sustainable development training at all levels.
- Support public policies and practices that foster open and competitive markets

# The Key Action Points for Implementation of Sustainable Mining Principle

## Principle 2 :

- Develop and implement ethical business practices.
- Comply with or continually exceed the requirements of the laws and regulations.
- Work with governments, industry and other stakeholders to evolve appropriate public policy, laws and regulations that contribute to national sustainable development.

# The Key Action Points for Implementation of Sustainable Mining Principle

## Environment, Health and Safety

Principle 3 :

- Conduct base line survey.
- Stakeholders engagement in management of social, health, safety, environmental and economic impacts.
- Undertake risk management systems.
- Inform potentially affected parties of significant risks.
- Develop and maintain effective emergency response measures

# The Key Action Points for Implementation of Sustainable Mining Principle

## Principle 4 :

- Focussed system for improvement of all aspects of operations that could have impact on the health and safety.
- Provide necessary medical facilities.
- Take all practical measures to eliminate workplace fatalities, injuries and diseases.
- Provide all employees and those of contractors with health and safety training.
- Implement regular health surveillance and risk based monitoring of employees.

# The Key Action Points for Implementation of Sustainable Mining Principle

## Principle 5:

- Assess the positive and negative, the direct and indirect, and the cumulative environmental impacts of new projects.
- Focussed environment management system to mitigate adverse environmental impacts.
- Involve local communities & authorities to avoid or minimise local and regional environmental impacts of mining.
- Rehabilitate land disturbed or occupied by operations with appropriate post-mining land uses.
- Finalize land use pattern on closure of mines in consonance with the needs of the community.
- Make adequate resources available for closure operations

# The Key Action Points for Implementation of Sustainable Mining Principle

## Protecting Human Rights

Principle 6 :

- Ensure fair remuneration and work conditions and ban forced, compulsory or child labour.
- Provide for the constructive engagement of employees in upholding the freedom of association and right to collective bargaining.
- Implement policies and practices to eliminate unfair discrimination.
- Provide all staffs including subcontractors with appropriate cultural and human rights training.
- Minimise R&R.
- Put in place procedures for handling any culturally or archeologically sensitive material.

# The Key Action Points for Implementation of Sustainable Mining Principle

## **Biodiversity Management**

Principle 7 :

- Respect legally designated protected areas and culturally sensitive sacred grooves.
- Emphasise on restoration of natural ecosystems to rebuild local bio diversity.
- Disseminate scientific data and promote practices in biodiversity assessment and management.
- Encourage supply of water to the needy, wherever possible.

# The Key Action Points for Implementation of Sustainable Mining Principle

## Responsible Use of Mined Out Resources

Principle 8 :

- Advance understanding of the properties of mined out resources and their lifecycle effects.
- Conduct and support research that promotes efficient use of resources.
- Develop and promote the concept of integrated resource management.
- Provide regulators and other stakeholders with scientifically sound data.
- Support the development of scientifically sound policies, regulations, standards and material choice decisions that encourage the safe use of mined out material.
- Provide for safe storage and disposal of residual wastes and process residues.

# The Key Action Points for Implementation of Sustainable Mining Principle

## Community Involvement & Development

Principle 9 :

- Engage community to discuss and respond to issues and conflicts concerning the management of social impacts.
- Involve affected communities in developing work programmes and determining outcomes.
- Encourage partnerships with governments and non-governmental organisations for effective delivery of ongoing programmes.
- Contribute to skill and capacity building of individuals and community groups.
- Encourage the concept of self help groups.

# The Key Action Points for Implementation of Sustainable Mining Principle

Principle 10 :

- Engage with and respond to stakeholders through open and a participative consultation process.
- Constantly document and report on economic, social and environmental performance.
- Exchange data, implementation procedures, experiences even personal wherever necessary.
- Provide information that is independently verifiable.