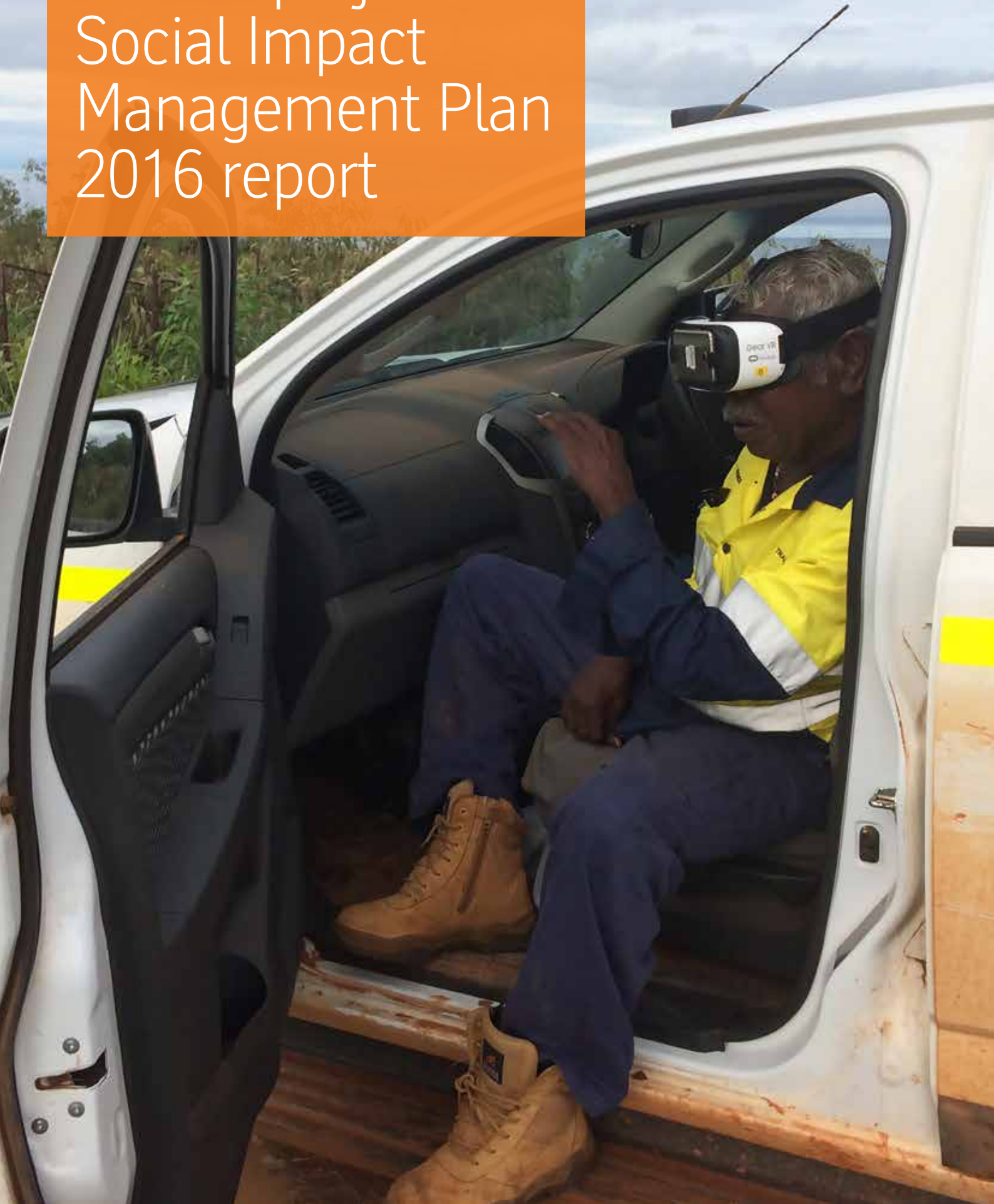


RioTinto

Amrun project Social Impact Management Plan 2016 report



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Message from the General Manager

Even though the project was approved in late 2015, 2016 signified the start of site-based construction activities. Fundamental to our privilege to operate, is the strong support from the local communities and Traditional Owners.

The project leadership has worked hard to foster a one-team approach amongst Rio Tinto, project Engineering, Procurement and Construction Manager Bechtel and our appointed contractors. This philosophy has extended across our collective approach to health, safety, environment and community.

Throughout 2016, the project participated in a range of activities that demonstrated the respect and high regard held for our host communities. The team has been active “on the ground”, listening to feedback from our stakeholders within the community.

Some of the key achievements of 2016 in relation to the Social Impact Management Plan include:

- Forming the Amrun Land & Sea team, made up of Wik-Waya Traditional Owners.
- Implementing a community commute to assist local Aboriginal employees based in Aurukun access employment opportunities.
- Supporting NAIDOC recognition activities on site.

- Implementing our Local & Indigenous Participation plan with procurement and employment outcomes; and
- Participating in on-country cultural camps with Wik-Waya Traditional Owners.

On behalf of the Rio Tinto Amrun Project, I am pleased to provide the 2016 Social Impact Management Plan update and look forward to continuing to construct the project in a way that meets both stakeholder and business needs.

Stay safe



Marcia Hanrahan

Amrun Project
General Manager
Rio Tinto

About the Amrun project

The Amrun project was approved by Rio Tinto in late November 2015.

The project involves construction of a bauxite mine and associated processing and port facilities approximately 40 kilometres south of the Embley River near Boyd Point on Cape York Peninsula.

Once operational, Amrun will replace production from Rio Tinto's existing East Weipa mine and increase annual bauxite exports.

Planned output is 22.8 million tonnes per year with a range of options for future expansions up to 50 million tonnes per year.

First shipment of bauxite is scheduled to occur in the first half of 2019.

About the project's Social Impact Management Plan

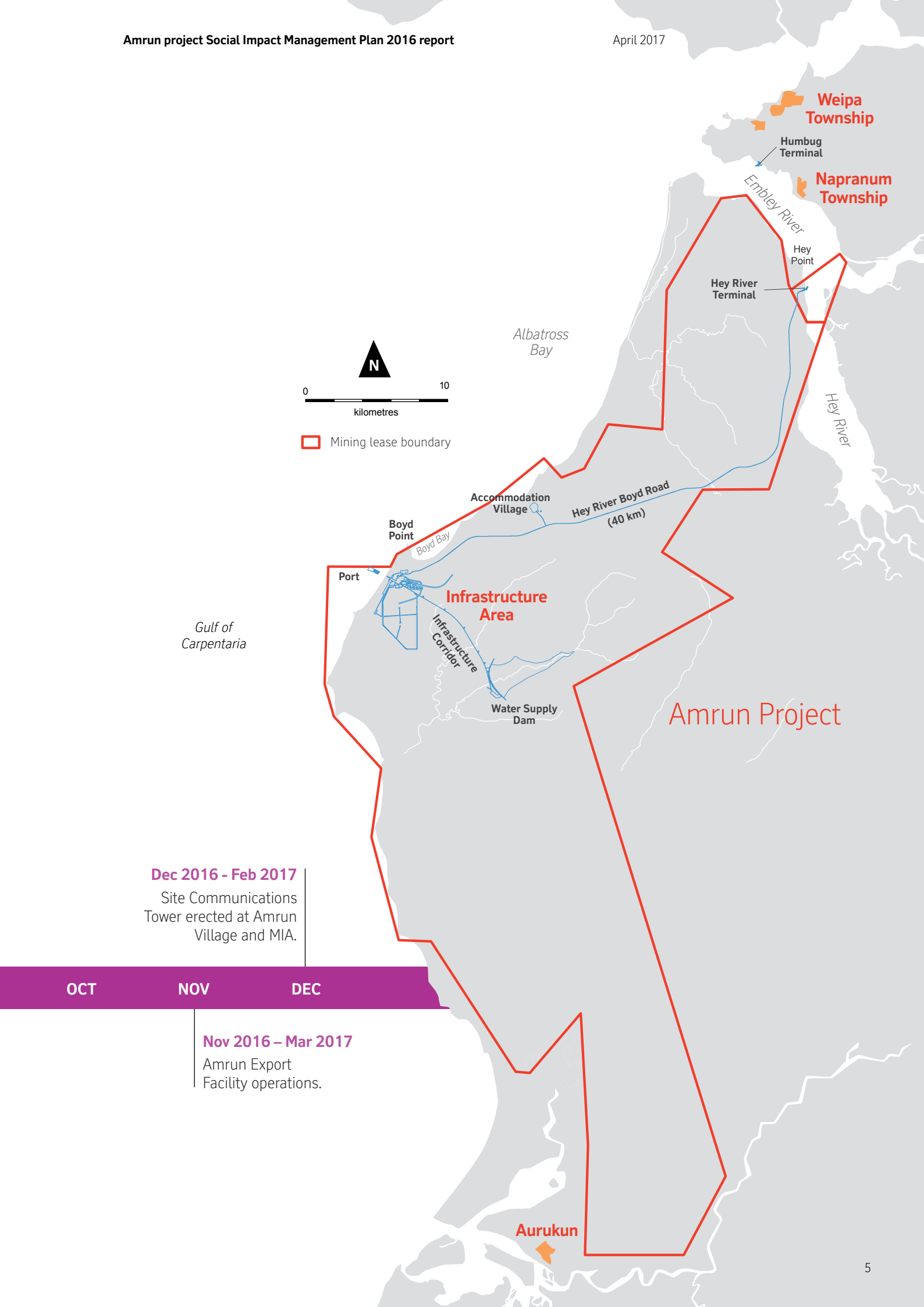
Rio Tinto completed a Social Impact Assessment (SIA) as part of the Environmental Impact Statement (EIS) process, and identified social impacts for the construction, operation and decommissioning stages of the Project.

The community was consulted on draft Social Impact Management Plans (SIMPs) in 2012 and again in 2015.

The final SIMP was approved by the Queensland Coordination General on 3 February 2016, following the Rio Tinto Board's approval to proceed.

This SIMP reflects Rio Tinto's proactive approach to managing potential community and social impacts from the project.







Engagement Events

There are a number of ways Rio Tinto engages with interested and impacted stakeholders, including formal and informal consultation processes.

Rio Tinto is a signatory to the Western Cape Communities Co-existence Agreement (WCCCA) and under this Aboriginal Agreement are established consultation processes whereby the business and Traditional Owners discuss mining-related activities and Rio Tinto reports on its commitments. In 2016, the following meetings were attended by Rio Tinto Amrun project representatives to provide an update on project-related activities.

- Communities, Heritage & Environment Management Plan (CHEMP) meetings x 4
- WCCCA Employment & Training Sub-committee x 4
- WCCCA Environment & Heritage Sub-committee x 4
- WCCCA Coordinating committee x 4

Throughout the year, a number of other engagement forums were held where interested and impacted community members could find out more about the project, and opportunities associated with employment and procurement. This includes:

- Community forums in Weipa x 3;
- Tour of Amrun site for WCCCA Coordinating Committee members;
- Annual open day for Weipa and Napranum residents with boat tours down the Hey River to learn more about the project;
- Two cultural camps held on country with Wik-Waya Traditional Owners at Amban outstation;
- Supplier roadshows in Aurukun and Weipa;
- ICN Queensland information sessions for local industry;
- 'Meet the supplier event' in Weipa; and
- Cape York Employment and Amrun Project partner for camp work familiarisation visits.



One of the boat tours depart on the Hey River to take a look at the Amrun project's Hey River Terminal as part of Rio Tinto's annual open day.

Focus Area

Community commute – Aurukun to the mine site

Relying on a road that is cut off by the wet season for up to six months during the year means that access to employment in the mining industry for Aurukun locals, including Wik and Wik-Waya Traditional Owners, is a challenge.

The ability for Aurukun residents to live in community when off roster and work in the mine is considered an important component in achieving outcomes under Rio Tinto Weipa Operations' Indigenous Employment and Training Strategy and also the Amrun SIMP.

A community commute for the Amrun project commenced operation in mid-2016, where a contractor was engaged to provide bussing services between Aurukun and the project. During the wet season, Aurukun residents working on the project were flown by charter plane to Weipa and transported to site via ferry.

Last year, more than five Aurukun residents participated in the community commute to participate in project-related employment. Once the shift roster has been determined for when Amrun commences operations, the community commute schedule will be reviewed to ensure these opportunities for participation continue into operations.



Senior Wik-Waya Traditional Owner, Tony Kerindun (far left), sees participants off on the first community commute leaving Aurukun.

Focus Area

Communities, heritage and environmental management plan (CHEMP)

Rio Tinto remains committed to upholding its commitments under the WCCCA, including working together with Traditional Owners on managing environmental and cultural values. During the Amrun project's pre-feasibility phase, the business worked with Traditional Owners to develop a Communities, Heritage and Environmental Management Plan (CHEMP) which outlines a collaborative approach for how the land will be managed on the Amrun mining lease area.

The purpose of the CHEMP is to provide a framework whereby Rio Tinto and Traditional Owners can work together on managing the land in a way that meets business needs and Traditional Owner aspirations. A key focus of the CHEMP is to ensure that cultural and environmental values on the lease are protected for future generations.

The plan was developed through several on-Country workshops with Traditional Owners to finalise the process of identifying and recording cultural heritage and environmental sites, and their management process when the project comes to fruition. Holding these meetings on the land over a number of years gave senior Traditional Owners the opportunity to pass on knowledge to younger Traditional Owners as part of the engagement process.

The document provides a pathway and an exciting opportunity for Traditional Owners and Rio Tinto to work together to achieve common goals for the Amrun project. The CHEMP was finalised and endorsed by Traditional Owners in 2014, with implementation ongoing as part of construction with the view to continue into operations.



Wik-Waya Traditional Owners on country on the Amrun lease (L-R) Loyla Chevathen, Tony Kerindun (front), Henry Kelinda and Tianna Chevathen.

Focus Area

Land and sea management

Rio Tinto is committed to developing and implementing the most practical and fit-for-purpose land management strategy to look after the Amrun project area whilst under construction and into the future.

Through the CHEMP development, Wik and Wik-Waya Traditional Owners expressed a desire to be engaged and employed as part of participating in land and sea activities on the Amrun lease.

Creating a Land & Sea Management Program (LSMP) has presented significant opportunities for Traditional Owners to be actively involved in both planning and participating in cultural heritage and environmental management activities. The LSMP provides an opportunity for Traditional Owners to implement the CHEMP, with the LSMP officially commencing on 7 January 2016.

The LSMP model supports the involvement in Traditional Owners in a number of land and sea management activities, including:

- Land and coastal management
- Land access
- Water management
- Fire management
- Feral animals management
- Flora and fauna management
- Weed management
- Cultural heritage management

The model continues to grow as the construction phase of the project progresses, with the model aiming to become an opportunity for a local Indigenous business to take over once the mine is operational as articulated in the CHEMP.



The Amrun Land & Sea Management team has grown to employ 10 Wik-Waya Traditional Owners since it commenced in early 2016. The team is pictured with relief crew leader Jerry Wapau (far left) and crew leader Craig Wone (far right).



Rio Tinto archaeologist Eloise Hoffman teaches Wik-Waya Traditional Owner Tianna Chevathen about cultural heritage stone artefact relocation works



WCCCA Coordinating Committee members take a tour of Amrun in December 2016.



Focus Area

Indigenous employment and training

Throughout the consultation process, Indigenous employment and training was raised by the majority of stakeholder groups as a significant opportunity for residents of Western Cape York Communities, particularly Traditional Owners.

Rio Tinto will continue to work with local communities to invest in employment and training to create a locally-based labour pool through implementation of Rio Tinto Weipa's Indigenous Employment and Training Strategy and complementary project specific actions identified in the Amrun Project Local and Indigenous Participation Plan.

In 2016, the project continued to implement the Local and Indigenous Participation Plan to identify employment opportunities for Aboriginal and Torres Strait Islander People with an emphasis on employing Local Aboriginal People connected to one of the three Aboriginal Agreements Rio Tinto Weipa operates under.

Throughout the year, Rio Tinto partnered with the WCCCA to interview over 120 Aurukun residents to determine levels of work readiness. This translated to building a database of potential eligible employees.

Other outcomes in the employment and training space have seen more than 50 Aboriginal and Torres Strait Island people engaged to work on the project, including 27 Local Aboriginal People.



More than 50 Aboriginal and Torres Strait Islander people work for the Amrun project including 27 Local Aboriginal People.



Wik-Waya Traditional Owner Helen Karyuka (far left) works as a surveyors assistant with Minstaff Survey.

Focus Area

Local and Indigenous sourcing

The Amrun project is required to comply with the *Australian Jobs Act 2013 and Queensland Resources Council's Queensland Resources and Energy Sector Code of Practice for Local Content (2013)*. Both Aboriginal Agreements WCCCA and Ely Bauxite Mining Project Agreement (EBMPA) also capture Traditional Owner aspirations of developing business and entrepreneurial skills and capabilities.

The actions and initiatives implemented to maximise opportunities for local and indigenous businesses are documented in the project's Local and Indigenous Participation Plan.

Key outcomes under this strategy for 2016 included:

- \$837M in direct spend committed to Queensland suppliers.
- \$113M in direct spend committed to Cape York suppliers.
- 651 Australian and 509 Queensland businesses have supplied goods and services (directly and indirectly) to the project.
 - Including 55 Western Cape businesses and 11 Indigenous businesses.
- Supplier briefing sessions held in Aurukun, Weipa, Cairns and Brisbane – over 900 participants in total.
- Meet the Supplier event and Contractor Forum held in Weipa – 80 participants.
- The project worked with over 20 contractors to finalise scope of work specific Local and Indigenous Participation Plans.
- 32 work packages were posted on the ICN Gateway.
- Over 3,000 supplier expressions of interests were received.



Local Aboriginal business NQCEC secured the road maintenance contract in 2016. Pictured here is the NQCEC crew with Amrun project construction supervisor Simon Sparks.

Focus Area

Indigenous education and youth engagement

With labouring roles in the mining industry decreasing and the need for technical and trade roles increasing, Rio Tinto has recognised the significance of ensuring quality educational outcomes for students in the Western Cape York region.

Indigenous education was also identified as a priority through the Amrun Environmental Impact Statement (EIS) public comment period, making it a key focus area for the business.

To help build ambition and develop capability in high school students from Western Cape communities, Rio Tinto initiated the 'Ambition Project' last year. The Ambition Project helps to further refine the pipeline of work-ready students from the Western Cape area.

In developing the Ambition model, Rio Tinto built on the strength of its existing decade-long partnership with the Western Cape College and expanded its focus to capture local Aboriginal students living in Aurukun, Mapoon, Napranum and Weipa and studying externally.

The model consists of five integrated focus areas – Inform, Engage, Plan, Work and Aspire – and is focused on supporting the schooling pathways of local Aboriginal school students from an early age through to the critical education transition points of year 6 into secondary education, and then the opportunity to transition into tertiary education or employment.

Key activities 2016 included:

- 14 high school students engaged to participate in work experience programs.
- Over 140 students engaged in education initiatives aimed at promoting the core mining industry requirements for employment.
- 5 Wik and Wik-Waya students offered career guidance/support.



Rio Tinto Weipa school engagement officer, Cindy Hales, with a group of young Aurukun locals about to head off to boarding school.

Focus Area

Housing and accommodation

Throughout the project's public consultation period, housing and accommodation was a potential concern raised by community members and stakeholders. To minimise any negative impacts on the local community's housing supply, the project's strategy is to accommodate the workforce at on-site accommodation village facilities.

Key housing and accommodation initiatives undertaken in 2016 include:

- Establishment of temporary accommodation village to cater for 460 guests.
- Construction commenced on permanent accommodation village with the capacity for 1,100 guests, including commencement of discussions with Traditional Owners to determine the layout of the Traditional Owners Area.
- Commencement of charter flight and bussing services for project employees living outside of the Western Cape.
- Workforce consultation in relation to shift roster working arrangements for once the mine becomes operational.
- Implementation of flexible work roster.



Amrun Project workers unwinding at the accommodation village.

