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Message from the General Manager

Welcome to the Amrun project Social Impact Management Plan (SIMP) 2017 report. Through the delivery of our SIMP commitments in 2017, the Amrun project continued to strengthen relationships with nearby communities, generate employment opportunities, and engage with local and Aboriginal businesses.

I'm pleased to report that the team's efforts in delivering the Local and Indigenous Participation Strategy—a key element of the SIMP—reaped rewards in 2017. To date, the Amrun project has engaged 17 Indigenous businesses, directly spent \$218M with Cape York Regional businesses, and created employment opportunities for 271 Aboriginal and Torres Strait Islander people, including 97 local Aboriginal people. We look forward to growing these figures throughout the remainder of the project, and further into the operational context.

Some of the other SIMP milestones we achieved in 2017, include:

- Official opening of 'Chivarri' Traditional Owners' area at the Amrun Village, which was designed by Wik-Waya Traditional Owners.
- Increased capability of Land and Sea Management team to undertake site programmes, including assistance with the turtle management programme.
- Embedding the community commute to enable local Aboriginal employees based in Aurukun to travel to and from the Amrun project for employment.

- Execution of a partnership with the North Queensland Toyota Cowboys to promote local employment and training outcomes and mentoring opportunities.
- Continuation of on-country cultural camps with Wik-Waya Traditional Owners at the Amban Outstation.

Inclusiveness is key to the Amrun project's success, and as we continue construction over the coming 12 months, we will maintain a collaborative approach to meet both stakeholder and business needs. Upholding our SIMP commitments is critical to achieving this balance. To that end, I am pleased to share the Amrun project's 2017 SIMP report with you, and look forward to sharing more achievements with you next year.

Stay safe



Marcia Hanrahan

General Manager Amrun Project Rio Tinto

Cover image: Amrun Operations manager, Troy McNamara with senior Wik-Waya Traditional Owner, Stella Owokran.

Weipa **Township**

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.

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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 Coordinator 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.

Humbug Terminal Napranum **Township** Thunggun River Albatross Terminal kilometres Mining lease boundary Pru'Lo Road Amrun Village (40 km) Chith Export **Amrun Mine** Facility Centre Gulf of Carpentaria Amrun Project Arraw Dam Dec 2017 Completion of Arraw Dam. Dec 2016 - Feb 2017 Site Communications Tower erected at Amrun Village and Amrun Mine Centre. NOV DEC Nov 2016 - Mar 2017 Amrun Export Facility operations. Glossary: RORO Roll-on Roll-off **HME** Heavy Mining Equipment **Aurukun**

Jan - Jul 2016 Handover of 814 Fly Camp rooms.

Mar 2016 Hey River and Humbug dredging

MAR

Apr 2016 Amrun Port completed. export dredging.

MAY

Amrun Village construction, including sewer piping, kitchen pier foundations.

JUN

Jun - Dec 2016

Aug 2016

AUG

Artesian Borefield implementation.

SEP

OCT

JAN **FEB**

Feb - Dec 2016 Upgrades to Humbug Point Barging Terminal, including RORO Barge and HME Berth.

Mar 2016 - Jan 2017

APR

Upgrades to Hev River combined terminal, including piling, RORO Dolphin Headstocks & RORO berth & abutment and navigation aids.

Jun - Jul 2016

JUL

Boral Batch Plant implementation.

May – Dec 2016

Hey River Boyd Access Road construction.

Engagement Events

Rio Tinto engages with stakeholders via a range of formal and informal consultation processes.

The Western Cape Communities Co-existence Agreement (WCCCA), of which Rio Tinto is a signatory, details established consultation processes for Rio Tinto to report on its commitments and discuss mining-related activities with Traditional Owners. In 2017, Rio Tinto Amrun project representatives provided updates and answered questions on project-related activities at the following meetings:

- 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

Many other engagement forums were held throughout the year, where community members could find out more about the project, and information about employment and procurement opportunities. These included:

January 2018

- Weipa community forum;
- Tour of Amrun site for Western Cape Councillors (Mapoon, Napranum, Aurukun, Weipa);
- Tour of Amrun site for WCCCA Traditional Owner elders and Wik-Waya Traditional Owner families;
- On-country cultural camp with Wik-Waya Traditional Owners, Rio Tinto Weipa Operations, and Amrun project employees at Amban outstation.

- Memorial event held on Amrun site with Wik-Waya and Peppan family representatives at the plane crash memorial site;
- Official opening of Chivarri Traditional Owners' area in Amrun Village, with senior leaders of Rio Tinto Weipa Operations, Amrun project, WCCCA and Wik-Waya Traditional Owners;
- Western Cape recruitment roadshows in Aurukun, Weipa, Napranum and Mapoon;
- Community and site visits with North Queensland Toyota Cowboys representative, Matt Bowen; and
- Engagement with over 7,000 vehicles at a trucking safety hub established at the Archer River Roadhouse where road users were informed about the project's trucking movements.



A strong turnout for the recruitment roadshow in Aurukun.



Far North Queensland Cowboys player Matt Bowen with Wik-Waya senior Traditional Owner Tony Kerindun.



Aurukun Shire Council's Mayor, Derek Walpo (far left) and CEO Bernie McCarthy, with Rio Tinto's Brad Welsh and Dan van der Westhuizen during a community tour at Amrun.



Camp set up at Amban outstation.



Wik-Waya Traditional Owners work with members of Rio Tinto's Amrun operational readiness team to name the Amrun 5-year mine plan in traditional language names.

Community commute – Aurukun to the mine site

Relying on a road that is cut-off by the wet season for up to six months a year meant that access to employment opportunities on the Amrun project was a challenge for Aurukun locals, including Wik and Wik-Waya Traditional Owners.

This challenge was overcome with the establishment of a community commute service between Aurukun and the Amrun project site which continued to operate throughout 2017. The service incorporates bussing employees between Aurukun and the project during the dry season, and a flight/cross-river ferry service during the wet.

Last year, seven Aurukun residents participated in the community commute. Following the success of our Aurukun employment roadshows in 2017, we look forward to growing this number in 2018. The 4,5,5 roster*—commonly known as the lifestyle roster—was also established in 2017 following comprehensive employee and community engagement. This roster will allow employees of the Amrun operation to spend more than half of their weekends throughout the year at home in community.

The roster seeks to enable Aurukun residents to both gain employment in the mine, and live in community when off roster—two important factors captured during community consultation.



^{*} The 4,5,5 roster is 4 days on, 5 days off; 5 days on, 5 days off; 5 days on, 4 days off.

Communities, heritage and environmental management plan (CHEMP)

One of the key elements of the SIMP was the development of a Communities, Heritage and Environmental Management Plan (CHEMP) to ensure cultural and environmental values on the Amrun lease are protected for future generations. This plan was developed through several on-country workshops with Traditional Owners, and includes the process for identifying and recording cultural heritage and environmental sites, and their management processes during construction and into operations.

The document was finalised and endorsed by Traditional Owners in 2014 prior to the Rio Tinto Board's approval of the Amrun project, and is available to view on www.riotinto.com/weipa. Several commitments of the CHEMP came to fruition in 2017, including:

- Plane crash memorial: construction was finalised around the plane crash memorial site, located on the outer areas of the Amrun lease. To mark this occasion, Wik-Waya and Peppan family members visited the memorial site and completed cultural protocols. The day included prayer, traditional song, dancing, and speeches from family and key representatives.
- Chivarri Traditional Owners' area: Traditional Owners and representatives from the Amrun project worked together to design and construct an area in the Amrun Village that recognised and showcased Wik-Waya culture and history. The area was named Chivarri by Traditional Owners, and includes a historical timeline, relaxation area, and scarred trees relocated from the Arraw Dam site. The official opening of Chivarri was held on 1 December 2017 and included Wik-Waya Traditional Owners, Western Cape Communities Trust representatives and employees from Rio Tinto's Weipa operation and Amrun project.

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Wik-Waya family members at the plane crash memorial site, located on the Amrun lease.



Wik-Waya Traditional Owners, Western Cape Communities Trust representatives and employees from Rio Tinto's Weipa operation and Amrun project came together on 1 December to celebrate the opening of Chivarri.

Traditional Owners have nominated a number of language names for infrastructure around the site, including the Hey River Terminal (Thunggan), Export Facility (Chith), Dam (Arraw), Tailings Facility (Torro) and the road from Hey River Terminal to the Mine Infrastructure Area (Pru'Lo). All of the language names have a meaning connected, for example Arraw is the language name for Emu.

- On-country cultural camp: Each year,
 Rio Tinto and Wik-Waya Traditional Owners
 come together to camp on-country at Amban
 outstation, a significant meeting place for WikWaya Traditional Owners. The engagement is
 designed to increase understanding through
 cultural immersion and foster an appreciation
 of Traditional Owners' connection to country.
 Activities on the camp included being
 welcomed to country by a senior Traditional
 Owner, learning about scarred trees, carrying
 out a beach clean-up, and making traditional
 shell chimes.
- Traditional language names: As part of the Amban on-country cultural camp, members of the Amrun Operational Readiness team (responsible for transitioning the project from construction to operations) worked with Wik-Waya Traditional Owners on the future mine plan. Several language names were decided for the mine blocks in the five-year mine plan, each with a different meaning for Wik-Waya Traditional Owners. The names were discussed in detail by the Traditional Owner family group to determine the appropriate names for the particular areas of Amrun.



Wik-Waya Traditional Owner, Allan Hart, and representatives from Rio Tinto Weipa Operations and the Amrun project with a scarred tree near the Amban Outstation.



Land and sea management

The SIMP action to form a Land and Sea Management Programme (LSMP) has presented significant opportunities for Traditional Owners to be actively involved in both planning and participating in cultural heritage and environmental management activities on the Amrun project.

In 2017, the ten-people strong LSMP team was split into two crews to provide full time site coverage as the construction phase of the project progressed.

Highlights from 2017 for the LSMP team include:

- A turtle monitoring and surveying programme, which saw the team conduct monitoring activities across the Amrun coastline between Winda Winda Creek and Ina Creek. The turtle survey included identifying nests, and tagging female nesting turtle and hatchlings.
- Managing predatory feral pigs through a feral pig baiting programme was successfully conducted by the LSMP team to further reduce the impact of predation on beach sections where turtle nests were present.

- Successful implementation of all cultural heritage and environmental scopes alongside consultants, who have noted improved environmental outcomes e.g. reduction in weeds, increase in turtle hatchlings.
- Continued skill development for team members, including new skills and certifications for fire management, all-terrain vehicles, and weed control.
- Completion of the Amrun project's entire scarred tree management scope, including identifying, assessing, and tree removal and relocation. This activity, previously completed by contractors, has meant that the Wik-Waya Traditional Owners are the first Traditional Owner Group to manage their own cultural heritage in Cape York.



The Amrun Land and Sea team.

Indigenous employment and training

In 2017, the Amrun project team continued to deliver employment and training opportunities. To promote strong performance in this area, Rio Tinto requires contractor partners on the Amrun project to submit plans for encouraging Indigenous participation through training, employment, and business opportunities. As at the end of 2017, the Amrun project had generated employment opportunities for 271 Aboriginal and Torres Strait Islanders, including 97 local Aboriginal people.

Other key activities within the reporting period included:

- Rio Tinto's Indigenous employment and training initiatives received a boost through a partnership with the North Queensland Toyota Cowboys. The Cowboys provided mentoring support to Indigenous employees across the project and actively supported the Amrun project's recruitment initiatives on site and in Western Cape York communities. To help build the future workforce in Aurukun, the Cowboys also ran their Try for 5! Programme at the Aurukun State School to encourage student attendance and minimise the social impacts created by missing foundation learning in the primary years of schooling.
- Northern Haulage and Diesel Services (NHDS) from Weipa was awarded the contract to perform general services including administrative, labour and construction support at the site. The 100 per cent Indigenous-owned business has created 25 jobs for local Aboriginal people on the Amrun project.
- Civmec was awarded the contract to construct the process plant, dump station conveyors and transfer station in 2016. Through the contract,

a local Aboriginal man, **Gordon Rattler, from the Napranum community** on the Western
Cape, progressed to become the Civmec
Amrun Structural, Piping and Mechanical
Supervisor and is being supported to mentor
local Aboriginal people in the workplace.

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- Jobseekers in Aurukun, Mapoon, and Napranum had the opportunity to meet representatives from Rio Tinto's Amrun project at recruitment roadshows in early May. The purpose of the roadshows was to share information about the project and highlight the range of roles available with the general services contract – including details on how job seekers can register interest for employment.
- The community commute from Aurukun continues allowing employment directly from community (see page Focus Area: Community Commute).

With commissioning and other operational activities starting in 2018, Rio Tinto is working to find pathways to ensure longer-term employment opportunities for the project's Indigenous employees.

Project invited all applicants to visit the jobsite to experience project life and complete pre-job screening, assessment and interviews. 73 attended

Continued mobilisation of new Aboriginal and Torres Strait Islander employees.

SEP

Project commenced one-on-one mentoring programme.

73 attended.

AY JUN JUL

Recruitment roadshows hosted in Mapoon, Aurukun and Napranum.

Over 200 people attended.

103 applications received to join the Project.

57 individuals were identified as ready for employment and assigned to the General Services package (NHDS) or to other contractors.

First employees commenced on 21 July.

AUG

Amrun Project hosts additional recruitment activities and continues with one-on-one mentorir programme to develop training plans. Focus Area

Indigenous education and youth engagement

Following its initiation in 2016, Rio Tinto's youth-focused 'Ambition Project' gathered great momentum in 2017 in helping build ambition and develop capability in high school students from Western Cape communities.

The model 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 the transition into tertiary education or employment.

Key Ambition project activities in 2017 included:

- Supporting 36 Year 7 students departing Aurukun for boarding school, in the form of providing 'starter packs' to support their transition to living away from community;
- The provision of career education packages to assist boarding schools that host students from the Western Cape with having a better understanding of mining, and appropriate subject selection;
- STEM (Science, Technology, Engineering and Maths) school events with Year 5 and 6 classes in Aurukun (16 students engaged);
- Three-day engagement workshop with contracting partner Sodexo in Aurukun to promote future employment and training opportunities, including visits to the Aurukun primary school to encourage students to study science or engineering;
- Career talks with ten local Aboriginal students from Aurukun:



Students work through activities as part of a STEM Workshop at the Aurukun school

- Weekend hosting in Weipa for Aurukun-based teachers to gain a better understanding of the mining industry and bauxite mining process;
- Four local Aboriginal students from Aurukun hosted for work experience.

Rio Tinto recognises the significance of ensuring quality educational outcomes for students in the Western Cape York region to ensure there is a sustainable pipeline of talent for the future of the operation.

The Ambition Project helps to further refine the pipeline of work-ready students from the Western Cape area, expanding its focus to capture local Aboriginal students living in Aurukun, Mapoon, Napranum and Weipa including those studying externally.

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 Western Cape Communities Co-Existence Agreement (WCCCA) and Ely Bauxite Mining Project Agreement (EBMPA) also capture Traditional Owner aspirations of developing business and entrepreneurial skills and capabilities.

Throughout 2017, the Amrun project extended its economic contributions at local, state and national levels. With all contracts now awarded, the project has strengthened its focus on working with contractors to ensure their Indigenous employment and training targets as detailed in their Local and Indigenous Participation Plans are not only met, but exceeded wherever possible.

The overall economic contribution by the Amrun project at the end of 2017 was:

- \$1,231M in direct spend committed to 704 Queensland suppliers.
- \$218M in direct spend committed to Cape York suppliers.
- 71 Western Cape businesses and 17 Indigenous businesses have supplied goods directly and indirectly through the project.

Achievements include:

- The \$70 million bulk earthworks contract was awarded to Queensland-based civil engineering firm OBirt:
- The project continued to work with ICN and to date, 36 work packages have been published on the project's ICN gateway website; and
- In 2017, Weipa-based Aboriginal owned company, NHDS, was awarded the contract to provide site general services and will create 25 positions for local Aboriginal people (see page Focus Area: Indigenous employment and training).



The first NHDS recruits on site at Amrun in mid-2017.



Housing and accommodation

In response to community feedback obtained during the Amrun project's public consultation period, the SIMP requires that action must be taken to minimise any negative impacts on the local community's housing supply. In response, the project's strategy is to accommodate the workforce at an on-site accommodation village, known as the Amrun Village.

Key housing and accommodation initiatives undertaken in 2017 included:

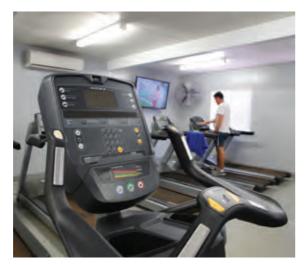
- Construction completed on the 524-bed permanent accommodation village. The Amrun Village includes the 'Chivarri' Traditional Owners' area, designed by Wik-Waya Traditional Owners. The area showcases culturally significant elements. Once the mine is operational, the space will be used for employee 'Welcome to Country' ceremonies.
- Workforce consultation regarding operational shift rosters was undertaken and a '4,5,5 roster' has been agreed to once the mine becomes operational. This will become effective for Weipa employees transitioning to Amrun in 2018 as part of first operational activities. The 4,5,5 roster is commonly known as the Lifestyle Roster because once Amrun is operational, employees will have half of their weekends at home in community during the year.
- Ahead of the upcoming shift changes, Rio Tinto Weipa, Weipa Town Authority and Weipa Community Care renewed their investment in the local Family Day Care Scheme to support employees, families and the broader community through this transition period.

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 The initial investment of \$30,000 attracted 13 new educators providing care for 54 additional children, with an additional \$50,000 committed in mid-2017 for the next two-year period.



Amrun Village recreational facilities.





Construction employees use the new sporting facilities after shift.



The new volleyball courts are a hit on site.

