

## Rio Tinto's 2023 principles for industry association advocacy

#	Principle	Interpretation	Clear Alignment	Partial Alignment	No Alignment
1	<b>Accept mainstream climate science and advance the Paris Agreement's central aims.</b>	The industry association needs to be on public record as accepting/acknowledging that human-induced climate change is occurring and that action is needed. The industry association needs to be on public record as supporting the Paris Agreement (eg in climate policy, government policy submission, media interview etc.)	<ul style="list-style-type: none"> <li>Public acknowledgement of anthropogenic climate change <b>OR</b></li> <li>Acceptance of climate science can be inferred from statements <b>&amp;</b></li> <li>Policy level (or similar) support of the Paris Agreement (in particular the ambition to maintain the global average temperature well below 2°C). <b>OR</b></li> <li>Support for the Paris Agreement can include a statement of support for the Paris Agreement goals, ie 2°C, 1.5°C, or Net Zero 2050.</li> </ul>	N/A – This principle will be graded on support/ no support, therefore there will be no "Partially Aligned"	<ul style="list-style-type: none"> <li>Public discreditation of anthropogenic climate change</li> <li>No policy level (or similar) support of the Paris Agreement</li> </ul>
2	<b>Support governments as they raise the ambition of their Nationally Determined Contributions.</b>	If the national government sets a higher NDC, the industry association should support that. If governments do not raise their NDCs, there is no expectation for an industry association to advocate that they do.	If the national government increases the ambition of the NDC, the industry association is supportive or does not oppose the higher NDC.	If the national government increases the ambition of the NDC, the industry association's position is supportive of the higher NDC, but with exceptions.	If the national government increases the ambition of the NDC, the industry association's wider advocacy position is unsupportive of the higher NDC
3	<b>Support a market-based price on carbon. The purpose of these market mechanisms should be to stimulate innovation and cost-effective emissions reductions and minimise competitive distortions within and across sectors and jurisdictions.</b>	A least-cost free-market approach is warranted such as carbon pricing while noting competition by sectors/ jurisdictions.	Policy level (or similar) support for a market-based price on carbon.	Supports emission reductions or innovation with no clear support for a market-based price on carbon to achieve them.	<ul style="list-style-type: none"> <li>Lacks support for a market-based price on carbon.</li> <li>Primarily highlights the adverse impact of a market-based price on carbon on Emissions Intensive Trade Exposed (EITE) industries.</li> </ul>
4	<b>Support policy tools other than carbon pricing to tackle emissions reductions and simultaneously achieve objectives related to industrial policy.</b>	These can include: <ul style="list-style-type: none"> <li>Grant funding, tax incentives and investment incentives to support research and development, innovation and first-of-a-kind projects.</li> <li>Product standards and procurement obligations (such as minimum and rising requirements for low or zero carbon metal) that drive deployment of pre-commercial technology.</li> </ul>	The industry association is supportive at policy level (or similar) or does not oppose policy tools other than carbon pricing.	N/A – This principle will be graded on support/ no support, therefore there will be no "Partially Aligned"	<ul style="list-style-type: none"> <li>Discredits policy tools other than carbon pricing to tackle emissions reductions</li> <li>Primarily highlights the adverse impact of policy tools other than carbon pricing to tackle emissions reductions on EITE industries</li> </ul>

5	<b>Recognise the valuable contribution that renewable energy sources make in reducing emissions and not undermine the role renewables have in the energy mix.</b>	The industry association needs to support, not undermine, renewable energy when discussing low-carbon solutions. It is acceptable to raise challenges regarding reliability/ intermittency but they should not be used as an excuse not to pursue renewables as a solution.	<ul style="list-style-type: none"> <li>• Policy level (or similar) support for renewable energy as a viable alternative to fossil fuels</li> <li>• Encourages the broad increase in renewables in the energy mix</li> <li>• Promotes the ability of renewables to reduce emissions and to be a cost-effective and reliable source of power</li> <li>• Concerns about the expansion of renewable energy in the energy mix, while acknowledging the need for a solution</li> </ul>	An industry association will be marked as partially misaligned if both of the following criteria are met: <ul style="list-style-type: none"> <li>• Support for renewables focuses exclusively on the resulting increased demand for critical minerals</li> <li>• Implication that renewables within the energy mix could result in an unreliable or less cost-effective grid with no logic for a solution</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of policy-level (or similar) support for renewable energy as a viable alternative to fossil fuels</li> <li>• Requests to divert funding or investment in renewable energy for use to continue the ongoing use of non-renewables</li> </ul>
6	<b>Ensure that any positions on and advocacy of the use of thermal coal do not support subsidies and note that it will require advanced technology, and, in the medium to long term, must be consistent with the Paris targets.</b>	The industry association cannot promote subsidies for thermal coal, and all commentary on the future of thermal coal must note the requirement for advanced technology (eg CCS, HELE) and to be in line with emissions reduction trajectories under the Paris Agreement. Royalty freezes and arguments not to increase taxes are not considered subsidies.	<ul style="list-style-type: none"> <li>• Any positions on the use of thermal coal do not support government subsidies</li> <li>• When promoting medium to long-term use of thermal coal, the industry association should highlight the scale of emissions reductions required</li> <li>• All commentary on the future of thermal coal must note the requirement of advanced technology</li> </ul>	Commentary on the future of thermal coal does not explicitly state the requirement for advanced technology	<ul style="list-style-type: none"> <li>• Support for subsidies for the use of thermal coal, such as government grants, or targeted reduction in royalties and taxes</li> </ul>