



Mr Jean Sebastien Jacques  
Chief Executive Officer  
Rio Tinto Group  
6 St James Square  
London SW1 4AD

13th May 2020

Dear Mr Jean Sebastien Jacques,

**Re: Open Letter to Rio Tinto Regarding the London 2020 AGM**

We are writing collectively to formally complain about the responses provided to questions raised by shareholders and proxy attendees at this year's Rio Tinto AGM.

We acknowledge that the new format of audio dial-in was new for the company and for shareholders. However, the sound quality and the lack of direct dial in from at least two countries where Rio Tinto has mining operations added to broader frustrations that the multibillion-dollar corporation appeared unable to provide high quality digital connectivity for the meeting<sup>1</sup>.

The constraints of the virtual process notwithstanding, answers provided to specific questions sent both in advance by email and those voiced via dial in, were far from complete, open or satisfactory for the signatories to this letter, including:

1. Zoe Lujic of Earth Thrive on behalf of the municipality of Loznica in Serbia.
2. Keren Adams of the Human Rights Law Centre in Australia.
3. Eryck Randrianandrasana of Publish What You Pay Madagascar
4. Yvonne Orengo of The Andrew Lees Trust
5. Roger Featherstone of Arizona Mining Reform Coalition.
6. Andrew Hickman of London Mining Network
7. Sukhgerel Dugersuren of Oyu Tolgoi Watch (on behalf Khanbogd herders)
8. Rhodante Ahlers, of Dutch NGO SOMO

Our questions collectively covered a number of themes from environmental contamination to governance and transparency, and related to the following Rio Tinto mines: Grasberg in West Papua, Panguna in Bougainville, QMM in Madagascar, Oyu Tolgoi in Mongolia, Resolution Copper in Arizona, Jadar lithium in Serbia.

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<sup>1</sup> Dial in from Madagascar via a UK number meant the line was cut every 10-15 minutes and prevented participation from one attendee. Others were cut off from posing questions when the call facilitator announced no more callers on the line, which was not the case.

Under UK company law, Rio Tinto is obliged to report on the status of its assets and that of its subsidiaries. Given the failure to provide full responses to questions asked of the Board at the AGM, or clarifications requested at the time, we are now writing to formally request that Rio Tinto provide written answers, in full, to each of our questions, together with data and evidence to substantiate any assertions made by the company where relevant. Attached are the questions in full and with commentary about how Rio Tinto has so far failed to answer them.

We request that answers be provided within 21 days.

Yours sincerely,

Zoe Lujic of Earth Thrive on behalf of the municipality of Loznica in Serbia.

Keren Adams of the Human Rights Law Centre in Australia.

Eryck Randrianandrasana of Publish What You Pay Madagascar

Yvonne Orengo of Andrew Lees Trust

Roger Featherstone of Arizona Mining Reform Coalition.

Andrew Hickman of London Mining Network

Sukhgerel Dugersuren of Oyu Tolgoi Watch (on behalf Khanbogd herders)

Rhodante Ahlers, of Dutch NGO SOMO

cc. Mr Simon Thompson, Chairman of the Board of Directors, Rio Tinto.



## **Rio Tinto AGM Question – from Arizona Mining Reform Coalition**

My name is Roger Featherstone from Tucson, Arizona, and I'm the Director of the Arizona Mining Reform Coalition. I regret that it is not possible to be in London for your meeting today. This all shows that in today's world nothing is for certain and nothing is a sure bet.

I appreciate this opportunity to ask you a question regarding the Resolution Copper proposed block cave copper mine that would be located East of Phoenix, Arizona, and would destroy the sacred ecological and recreational haven of Oak Flat and thousands of acres of surrounding public land.

Last August, the US Forest Service released a Draft Environmental Impact Statement (a DEIS) that, incomplete as it is, for the first time took a close look at the impacts of your proposed Resolution Copper proposal that would destroy Oak Flat and a total of close to 16,000 acres of land and would use as much water as a city of 200,000 people.

Jean-Sebastian, when we first met before you officially became Rio Tinto's CEO, you assured me that Rio Tinto would not continue the Resolution Copper project should it become apparent that it wasn't feasible.

Yet the DEIS says that the amount of water the project would use "could be greater than the estimated amount of physically available groundwater."

At the Rio Tinto AGM last year, you indicated that Rio Tinto would meet or better any local laws for the Resolution Copper project but you hedged a bit on whether that meant you would meet or do better than any tailings dam safety laws anywhere in the world.

The DEIS shows that none of the 4 tailings dump locations, including the Preferred Alternative dump location, would be illegal in Brazil, Ecuador, and China. None of the 4 alternatives, including the Preferred Alternative, would meet the weak standards for tailings dam safety required by our Arizona Department of Environmental Quality.

It is also clear that in light of ongoing problems you've had constructing the world's only comparable block cave project at Oyu Tolgoi, and the multiple severe problems the DEIS outlines, that your Resolution Copper project is an experiment that will fail.

It is time for you to abandon this failing experiment, retire all lands and mining claims you have acquired, and relinquish any claims you have to Oak Flat.

Will you save your shareholders the embarrassment and financial losses that are sure to occur with the Resolution Copper project and permanently halt the Resolution Copper project?

Our response to Rio Tinto's answer:

While it was difficult to hear the Rio Tinto response, there are several points that need to be corrected. It should be noted that Roger Featherstone, instead of opting to ask the question himself, allowed the

question to be read by Rio Tinto with the proviso that he be allowed to follow up if needed. Rio Tinto did not honor that proviso and did not allow Mr. Featherstone to follow up.

JS made several points that need correcting. It is unfortunate that Rio Tinto shareholders are being given incorrect information during the AGM on this proposed project.

- JS stated that the Final Environmental Impact Statement (FEIS) will be release “shortly” when the US Forest Service, who is reviewing the proposed project had announced several days before the AGM that the FEIS will not be released before December of 2021 (hardly shortly).
- Our statement that the proposed project preferred alternative would impact nearly 16,000 acres comes straight from the Forest Service Draft Environmental Impact Statement (DEIS). JS stated that the project would not use nearly that much land. If Rio Tinto has a new proposal that changed the project configuration to use less acreage, it is news to the public and for that matter the Forest Service, and Rio Tinto should, in answer to this letter, disclose any new project configuration.
- JS stated that the proposed project would use a substantial portfolio of “renewable energy” for the project. This statement is news to us, the public, and the US Forest Service. In fact, the Salt River Project (who would supply electricity to Rio Tinto for the proposed project), has refused to sign a power purchasing agreement from a nearby mine who has approval from the US Forest Service to build a photovoltaic power station on is waste rock dump. Again, if Rio Tinto has any new project design changes, they should be shared with the public and the US Forest Service.
- Lastly, while from what we heard, there are several other points that should be refuted, Rio Tinto completely failed to answer our simple yes or no question: Will you save your shareholders the embarrassment and financial losses that are sure to occur with the Resolution Copper project and permanently halt the Resolution Copper project?

## QUESTIONS ON QMM MADAGASCAR AND RIO TINTO RESPONSE ISSUES

### 1. Eryck Randriandrasana (PWYP MG)

At its AGM last year Rio Tinto admitted that its QMM mine had breached a protective environmental buffer and had encroached onto the adjacent lake bed. It said this was “a *mistake*”. Rio Tinto assured shareholders and the public that the impact of the QMM breach was “negligible”. It cited the Malagasy state regulator for this analysis. We have repeatedly asked for evidence as to how the regulator reached this analysis. It is important because the breach raised concerns about exposure to contamination of local waters by QMM processing and local people fish and draw their drinking water from the lakes and rivers around the mine.

Rio Tinto knows that our requests to the state environmental regulator in Madagascar and QMM have failed to produce evidence that any technical studies were ever carried out by the regulator on this question. Last December, Rio Tinto told an international journalist “**We are not aware of any formal inspection report**”. That means Rio Tinto reported *no “negligible impact”* of the breach, knowing this was *based on nothing*. Under its obligations to the people of Madagascar and its shareholders, Rio Tinto is legally obliged to report clear information about the status and risks of its assets, as well as those of its subsidiaries. Rio Tinto is also committed to applying the highest standards and, where local ones may fail to meet these, states Rio Tinto will default to its international standards. Rio Tinto knows that the Malagasy regulator does not have the capacity to objectively monitor QMM mine performance against realistic indicators. Also, that the regulator has been financially dependent on QMM, which is a problem. Local people also do not have capacity to monitor the mine. For this reason, we have welcomed the independent studies about the QMM buffer breach, radiation issues and water quality. These studies provide **clear evidence of water contamination downstream from the mine** – with elevated levels of uranium, and lead, at least 50 times higher than WHO safe drinking water levels. We do not think this is a “negligible” impact of QMM on our environment.

We welcome QMM’s contribution to help the Covid 19 effort in Anosy – but if it can find the means and goodwill to do this, why won’t it provide safe drinking water to communities when its mine is contaminating their natural water sources? Will RT produce hard scientific evidence that there is absolutely no water contamination from its QMM mine from heavy metals, and no negative environmental impacts or health risks to communities living around the mine? If it cannot do this, will it 1) stop making unsubstantiated claims 2) provide safe drinking water to local people and 3) urgently mitigate its waste water and mine tailings management.

### 2. Yvonne Orengo, Andrew Lees Trust (ALT UK)

We welcome the new radiation studies as these were a recommendation of ALT UK’s independent review. But this does not address the urgent [water contamination issues](#) that we have urgently raised since last year. 15,000 people continue to draw drinking water from natural water sources around the mine which are contaminated by uranium and lead discharged by the mine. You said last year and again just now that the mining process only uses water, and changes nothing in the natural environment... but you have conceded in writing that the extraction process concentrates radio-nuclides, like uranium, and also heavy metals, in the mining basin; these are related to the mining operation and are well in excess of WHO safe drinking water guidelines. You have also admitted that the QMM “*process water may have higher concentrations of minerals and metals than deemed safe by drinking water standards*”. Despite claims that your processes are monitored, and everything is “*fine*” you have not provided us or other CSOs with any evidence about how your waste water management using the settling ponds system is removing contaminants before the process waters are released into the local environment. You simply state

that it does. Saying it does not make it true. We are still waiting for evidence. The burden of proof rests with Rio Tinto. Meanwhile, local people are drinking water from these contaminated lakes and rivers and Rio Tinto refuses to provide safe drinking water to local communities, in line with WHO guidelines. RT/QMM knows that it can contribute to national potable water targets in Madagascar and must do so under the polluter pays principle. You did not answer this question from Eryck (PWYP MG). Will you please provide drinking water to the community in Anosy and not put the burden of cleaning up water on the cash-strapped Malagasy government?

### Problems with Rio Tinto's answers

#### Question from PWYP

Rio Tinto (RT) did not answer the question about there being no evidence on which they based their claim to shareholders in 2019 that the impact of the QMM [buffer zone breach](#) was “negligible”. Instead the CEO talked about overflow incidents that happened at least four years later.

- 1) Please provide report(s) and/or a formal response to the lack of a study by the ONE on which RT's public claims of “*negligible impact*” have been based
- 2) Please provide evidence which substantiates Rio Tinto's claims that the waters around QMM is not contaminated by QMM wastewaters.
- 3) Can RT then agree to the requests made to a) stop making unsubstantiated claims b) provide safe drinking water to local people and c) urgently mitigate its waste water and mine tailings management?

#### Question from ALT UK

In response to further questioning about providing safe drinking water, RT insisted its extraction process did not use chemical additives in the process. Elevated uranium and heavy metal levels are not caused by chemicals but by the concentrating effect of churning the sands in the mining basin – as Rio Tinto knows, and has conceded in its letter to ALT UK, PWYP MG & UK, and Friends of the Earth (Feb 2020)

- 4) Please provide results of QMM water monitoring that demonstrate the wastewaters leaving the QMM site are “fine”
- 5) Please provide scientific explanations as to why Rio Tinto disagrees with the findings of the Swanson and Emerman water studies (taking into account matters raised in the joint letter to Rio Tinto of 6<sup>th</sup> March 2020<sup>1</sup>)
- 6) When can Rio Tinto make the JBS&G water study data available, given the samples were collected before the end of 2019<sup>2</sup>?
- 7) Will RT agree to provide safe drinking water, as requested since March 2019?

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<sup>1</sup> Exchange on the ALT UK water studies between Rio Tinto and Andrew Lees Trust, Publish What You pay MG and UK, and Friends of the Earth.

<sup>2</sup> As results were promised for March, we would expect that samples were sent to the lab by January or Feb latest, before lockdown. Analysis does not require physical presence in lab or elsewhere.



**Questions are submitted on behalf Khanbogd herders affected by Oyu Tolgoi mine.**

#### ESIA

Parliamentary Resolution #92: Based on recommendations of the Parliamentary Working group on Oyu Tolgoi the State Great Hural (parliament) issued Resolution #92 on November 21, 2019 <https://www.legalinfo.mn/law/details/14771?lawid=14771> tasking Government in addition to bringing the OT Investment Agreement and all related contracts in compliance with law to carry out the following:

4/ Undertake a revaluation of the reserves of copper, gold, silver and other elements at the Oyu Tolgoi deposit using international standards effective in Mongolia, develop conduct feasibility study based on the revaluation and obtain expert opinion of the competent authority thereof;

5/ Redo environmental and water impact assessments and amend Resolution 175 on “Appropriation of land for public purposes” of the Government of Mongolia of June 8, 2011 to align with underground water use requirements in the Gobi Desert region.

2017 MDT/IEP, p. 26/2289 - “OT should commission and disclose in advance of work starting the results of one or more supplemental ESIA’s to IFC standards to identify and consult on any additional impacts (and impact mitigation measures) related to the underground mine project; the power agreement; changed plans for workforce accommodation; the railway construction; paving of the Khanbogd Soum to OT road, any significant changes to the project since the 2012 ESIA was published and update the analysis of cumulative impacts of other infrastructure and mining/oil projects. Assessment should consider if paving the soum centre to OT road will create additional and faster traffic that would limit animal movements.”

**Question One:** What is Rio Tinto doing about these recommendation and when will it carry out the environmental and social impacts assessments for underground mine construction and operations and the new tailing storage facility section as per the recommendation of Parliament of Mongolia and the Multidisciplinary Team (MDT) report cited above?

#### WATER

Water in the Gob Desert: Non-disclosure of water related reports and quality of Rio Tinto public statements on water has been an ongoing debate between Oyu Tolgoi and local herding community.

“OT reports state without supporting technical information that the water recycle rate has been up in at average 85% and have gone up to 90% at some point in its 2018 Year in Review [The most recent such report available at [www.ot.mn](http://www.ot.mn) at p. 7/58 (at [https://www.ot.mn/media/ot/content/docs/year\\_in\\_review\\_18/OT\\_Year\\_in\\_Review-English.pdf](https://www.ot.mn/media/ot/content/docs/year_in_review_18/OT_Year_in_Review-English.pdf)). In contrast, one of the few independent reports of OT operations, the 2017 MDT/IEP report (at [www.cao-ombudsman.org/cases/document-links/documents/MDTIEP\\_FINALREPORT\\_ENG\\_January292017\\_000.pdf](http://www.cao-ombudsman.org/cases/document-links/documents/MDTIEP_FINALREPORT_ENG_January292017_000.pdf)) found OT consultants

determined that the tailings management and disposal operations at OT were not meeting design performance values causing the tailings retaining more water than design values, have lower dry density - be bulkier - than design performance values and fill up the tailings disposal cells faster than planned. (2017 MD/IEP, P. 207/289).

As a result of the inability of OT operations to meet design performance values, OT will run out of capacity at the two tailings cells it identified in its 2012 ESIA, at P. 34/77.

OT is planning for an additional four tailings cells the size of the original tailings cell #1 with design capacity of about 750 million tons.

We demand that OT provide detailed water management calculations to demonstrate water consumption at the facility including:

- Total water balance, including water consumption rates for operational elements as projected in 2012 ESIA A4 at p. 41/77;
- Tailings liquids and solids balance reflecting mass, volume and water content of tailings generated at OT during operations including characteristics of current tailings and characteristics of tailings projected to be generated at OT operations compared to design performance values provided in 2012 ESIA;
- Detailed design proposals for future tailings associated with proposed operations including environmental and social assessments and emergency response plans for potential tailings impoundment failures.”

**Question Two:** What is Rio Tinto’s justification for non-disclosure of this information important for both the shareholders as well as the local community?

QUESTION INTENDED TO ASK ONLINE:

In a Tripartite Council meeting OT team leader (Sh. Baigalmaa) stated that OT has no (or lost) control over its subcontractors supplying construction and other materials to OT. Subcontractors have not carried out ESIA nor follow any environmental protection plans in operating numerous quarries in Khanbogd pastures. As seen by affected herders, Rio Tinto is in non-compliance with its own commitments, industry as well as lender standards for supply chain management. Do plan to include impact of your subcontractors on the environment, specifically on water resources and pastures, in the environmental and social impact assessment for Phase 2 UGM?





**Stichting Onderzoek Multinationale Ondernemingen**

Centre for Research on Multinational Corporations

**Rhodante Ahlers of SOMO: Questions concern the Oyu Tolgoi Project in Mongolia:**

1. Now that the Covid-19 pandemic has shown the importance of public budgets for governments struggling to afford goods and services needed to protect lives, will Rio Tinto abort the UNCITRAL arbitration process and revisit the Oyu Tolgoi Investment Agreement to better meet the needs of the Mongolian people and the protection of the Mongolian environment?
2. When will Rio Tinto carry out the environmental and social impacts assessments for its underground mine construction, operations, and the new tailing storage facility section as per the Resolution #92 of the Parliament of Mongolia (November 2019) as well as the recommendations of the Multidisciplinary Team Report (2017 MDT/IEP, p. 26/2289)?
3. Water is a life sustaining resource in the Gobi desert. Rio Tinto has failed to disclose water related reports regardless of numerous demands for information on total water balance, water consumption rates for all operational elements, tailings liquids characteristics justifying need for more tailings storage and design plans for new storage cells. When can we expect this information or a written official document justification non-disclosure?

## **Rio Tinto and the legacy of the Panguna mine in Bougainville: Questions from Keren Adams for Human Rights Law Centre**

At the AGM, Keren Adams from the Human Rights Law Centre in Melbourne asked the following questions with regard to the environmental, social, cultural and spiritual legacies left behind by the Panguna mine in Bougainville which have grave negative effects on the lives, the livelihoods and the human rights of mine affected communities.

“In 2016, Rio Tinto divested from the Panguna mine in Bougainville, leaving behind almost a billion tonnes of mine waste tailings produced by the company’s operations there. As a result, several thousand people around the mine are living with ongoing human rights risks and impacts including contaminated water sources, ongoing flooding of their villages with mine waste and health problems ranging from skin diseases to respiratory problems. Having recently been informed of the extent and scale of these problems:

1. Is Rio Tinto prepared to engage in a dialogue with stakeholders in Bougainville about how the company can contribute to addressing these urgent problems?
2. Will the company abide by its international legal obligations and take steps to help remedy this situation, including through re-committing to fund the environmental and safety assessment of the mine commenced in 2014 which was halted as a result of the company’s divestment?”

In his response at the AGM, Rio Tinto Chairman Simon Thompson did not respond to either question.

Mr Thompson’s response instead gave a brief and quite misleading overview of the history of the Panguna mine from the 1960s to the late 1980s, positing that the mine was forced to halt operations because of a ‘civil war’ on the island. Not a word was said about the fact that the war’s major underlying cause was the environmental degradation and social disintegration caused by the Panguna mine. Nor did Mr Thompson acknowledge Rio Tinto role in exerting pressure on the PNG Government to adopt a military response to recapture the mine or the logistical support provided by the company to the PNG security forces, both of which were instrumental in causing the dispute over the mine to escalate into a prolonged civil conflict.

Mr Thompson went on to repeat the company’s standard public lines that it was “fully compliant with all environmental laws and standards up until 1989 when it was forced to withdraw from the mine” and had “not been able to access the site since that time” due to security concerns.

In fact, it is untrue to say that the company was compliant with all the environmental laws and standards of the time. Notwithstanding the weak environmental protections in the original agreements that governed the operation of the Panguna mine (which were negotiated between the company and then Australian colonial administration against the express wishes of Bougainvillean landowners), these agreements still required the company

to mitigate their impacts of their activities to prevent permanent damage to the environment and ensure pollution released into the rivers from the mine did not cause serious damage to vegetation and animal life. The agreements also required the company to take steps to ensure that land impacted by the mine's operations was rehabilitated so that it could be returned to landowners in useable condition.

None of these requirements were complied with by the company. Instead, a billion tonnes of tailings waste was recklessly discharged into the Jaba and Kawerong rivers, causing extensive, permanent damage to both the river system and surrounding land and entirely wiping out aquatic life downstream on which local people relied.

Nor is it true that the security situation in Bougainville has prevented the company addressing clean-up of its operations. The conflict in Bougainville ended in 1998, some 18 years before the company decided to divest and the company could at any time throughout that period have initiated a clean-up operation, via an independent environmental firm if necessary. Indeed, this is precisely what the company was invited to do by Bougainvillean landowners and the Autonomous Bougainville Government in 2014, shortly before it decided to instead divest from the mine.

Even if one accepts Rio Tinto's explanations as to why it did not previously address its legacy on Bougainville, however, they do not excuse its failure to do so now. Rio Tinto has clear obligations under both the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to both respect the human rights of people affected by their operations and to remedy adverse human rights impacts caused or contributed to by their operations. As a company that holds itself out as a world leader on environmental and human rights issues, and which claims its number one priority is the safety of communities it works with, Rio Tinto must act to address the devastating health, safety and environmental impacts the pollution from its mine is continuing to cause for the thousands of people who live around and downstream of the Panguna mine.



Written questions to Rio Tinto AGM submitted by Zoe Lujic (Earth Thrive NGO registered in UK) a proxy for Liz Denver. Questions are submitted on behalf of the municipality of Loznica community affected by the Jadar lithium mine in Serbia

Q1: The community is asking for immediate, complete and open publication of ALL documents, plans and studies done so far by your Serbian subsidiary - Rio Sava Exploration Ltd. Belgrade as they claim that the studies and other documents have only been shared with the selected group of people. **Can we have your assurance that an immediate and full disclosure of all available documents will be made openly and publicly and in a way that is easy to understand by 'ordinary' people?**

Q2: In your spatial plan that covers almost 300 square kilometres, there are 4 or more protected areas. **Can you give us a firm open and public assurance that those protected areas will really and fully be protected from any harm that your mining operation may inflict on them? Also, can we have your full promise that you will fully respect all national and environmental laws applicable in your case?**

Q3: **Can you give open and firm assurances that the surrounding agricultural land will not be adversely affected by your mining activities in the locality?**

Q4: It is our understanding that you promised the local community and affected farms a full 3D model of the proposed mine some two years ago but that has yet to materialise. **Can you kindly let us know when this model will be produced as well as when both the local and wider communities will be informed of the exact mining process that will be employed?**

At the Rio Tinto plc post-AGM shareholder engagement teleconference, CEO J-S Jacques said that the project is in the early stages, scoping out the mine. Ongoing studies are under way. The Environmental and Social Impact Statement is expected in 2020 subject to COVID-19. "We must engage with all stakeholders and we will continue to engage with communities and NGOs," he said. Regarding the sharing of studies, obeying local laws and protocols means the company must finish studies before they are released to the general public. "We try to consult during the whole process," he said. He said that two information centres had been set up, to make information more available to local people. He said that in 2019 the company had held over 16 open days which were promoted widely. Experts were available and studies were shared and discussed. Meetings were held in Serbian and involved 'ordinary' people.

The sound quality on the teleconference meant that it was extraordinarily difficult to hear all the details of the rest of J-S Jacques' answer. Among the points he made were that the company would respect all national environmental laws and European Union directives. The Special Plan was a government document and covered the whole concession of 290 square kilometres. The project would have no impact on four areas within the concession. Regarding agricultural land, a strategic environmental assessment had been approved which will impose conditions in full compliance with all applicable laws, and is available online. Detailed three dimensional models of the proposed mine had been put in one of the local information centres in 2016 and in the other in 2018.

Despite what J-S Jacques said about the three dimensional model of the mine, when Zoe Lujic was visiting local communities in May 2018, people kept asking for that model to be produced, as they were very keen to see what the mine would look like and how it would impact the region. Other local contacts active on this issue say they have never seen the model nor been informed of it being shown to the community.

Could Rio Tinto put the latest version of the 3D model of the mine with all the accompanying buildings (such as the processing plant) with all the descriptions, explanations and data clearly written out in simple language, in an accessible public space such as the city of Loznica's main municipal building, a local community information space (where they claim to have been having conversations with the community) or somewhere similar?



**Andrew Hickman of London Mining Network: question about the Grasberg copper-gold mine in West Papua.**

The question followed on from the previous questions on tailings issues and on Rio Tinto's legacy at Bougainville. "You divested from Grasberg just two years ago," Andrew said. "Given the record of Grasberg of environmental, social and human rights abuses, as well as riverine tailings disposal system that continues to pollute and destroy lives, how is it possible for the company to defend its claims that it has sold on its liabilities to Inalum, the Indonesian state aluminium company? Surely maintaining this kind of legalistic position is too great a reputational, legal and financial risk to the company and its investors in the face of this record? This is an ethical and moral question." Andrew said that the company had left its involvement in Panguna some years ago, but was still answering questions about its responsibility there, so why did it feel it was no longer responsible at Grasberg?

Simon Thompson replied, "You raised this at the AGM last year and my answer is the same. Rio Tinto had a metal strip arrangement, not an investment arrangement. It had a share of the metals produced by the mine from 1999 and sold it in 2018 for 3.5 billion US dollars to Inalum, the state owned Indonesian mining company, which achieved the objective of the Indonesian government to increase its economic interest in what it regards as a strategic national asset. The Indonesian government was aware of the liabilities, and the price paid reflects its awareness of those liabilities. We are not hiding. Willing buyer, willing seller, and the Indonesian government entered into it knowing they would be responsible for these liabilities."

By taking refuge behind the basic minimum facts, the Chairman's reply avoided answering the two central issues raised in this question: the issue of risk to the company and the ethical responsibility for Rio Tinto's legacy at Grasberg.

It was false to characterize this as the same question as that which was asked last year: it was just the answer that was given that was the same. Last year, Rio Tinto had recently completed the sale of its interest in Grasberg and the question was asked whether, in hindsight, the company's decision to invest in the mine had been a good one and, more specifically, how much money had been put aside for ongoing liabilities. Simon Thompson's reply hinted at some regret, in particular in investing in a mine that disposes of its waste through dumping its tailings in the river, and then went on to talk about the apparent legalities of the business transaction that took place in 2018. It seems ironic that it was the Chairman himself who used the word 'hiding' in reference to the issue of liabilities, perhaps unwittingly revealing more than he wanted to about the reality of what took place in 2018.

With regards the risk to the company, it is clear that these risks can be considered in three separate ways. The reputational risk to Rio Tinto is clear to see, in cutting and running from a mine that has been regularly placed at the top of the list of unacceptable mining operations, not just by the mine's civil society critics, but by many mainstream media commentators and institutional investors, including the huge and influential Norwegian State Pension Fund. The legal and

financial risks to Rio Tinto are less obvious, but still must be of concern to investors and the company itself. Currently, no-one has tested Rio Tinto's ongoing liability for its legacy at Grasberg in the courts, but the damage done by this mine is in plain sight. Arguing that liability stops simply because a deal has been struck by two business parties has been shown to be an unsafe assumption in many cases over recent years.

Rio Tinto presents itself as a responsible corporate citizen and leader in the global mining industry, a force for good in bringing about a better future for this planet. The company markets itself as being "essential to human progress" and tells us that "we are all in this together". If that is the case, how can the Chairman of the company not answer a straight question about the ethics of cutting and running from the mess and the destructive legacy it has left at Grasberg? Putting aside the questions of the legal, financial and reputational risks the company is running by walking away, it is incumbent upon its Chairman to give a straight answer to the ethical question put to them. Surely, a respectable company such as Rio Tinto needs to recognise that the moral responsibilities for its actions do not stop with a cheque or a legal clause on a piece of paper?