

Rio Tinto's view on the role of industry associations

Rio Tinto believes that industry associations have an important role to play in the sharing of best practices and the development of standards. Industry associations provide Rio Tinto with an industry leadership opportunity to better understand a range of external views and contribute our perspectives and experiences in support of good policy outcomes which benefit business, the economy and society.

We recognise there is increasing stakeholder interest in the nature of industry associations and the role they play in policy advocacy, particularly where they represent different positions on key issues to those of the member companies they represent.

Each industry association is different. They represent a mix of companies and organisations and often cover multiple policy, business and sustainability issues, including climate change and energy. Rio Tinto's participation across different industry association agendas will also vary, with active engagement in associations on issues where we believe we can benefit, influence and add value.

Positions taken by industry associations on an issue will consider a range of members' views, and the nuance and emphasis of an industry association's position may differ from that of Rio Tinto. We believe that diverse and differing views should be heard and are an important step in finding compromise that allows progress to be made.

Recognising that an industry association's view will not always be exactly the same as ours, we review the value of individual industry association memberships both prior to joining and when membership is due for renewal. Rio Tinto has [published guidelines](#) which govern our approach to participation in industry associations.

Rio Tinto is providing additional information on industry association memberships, listing the top five industry groups it engages with by membership fees and the industry groups it has engaged on climate policy issues. This includes detail on where industry association positions on climate change significantly differ from Rio Tinto's.

This information will be maintained as part of our public disclosure. It supplements information provided in our 2017 Climate change report and in our annual CDP submissions on industry associations that take positions on climate change and energy.

Appendix 1 lists the major industry associations that are important to Rio Tinto's policy advocacy approach and that take positions on climate change issues.

Industry association fees

Membership fees payable to industry associations are often based on either production volumes or revenue, and some cases, are subject to a cap. Generally, the annual subscription fee payable is an aggregate amount – that is no part of the annual fee is earmarked for any particular purpose or activity.

A list of Rio Tinto's top five industry association memberships by fees for the 2017 calendar year is detailed below. Rio Tinto's top five industry association membership fees total US\$6.45 million, which represents almost 50% of the total membership fees that Rio Tinto pays to all industry associations globally.

Table 1: Rio Tinto's top five industry association membership fees for CY2017

	Industry association	Jurisdiction	Purpose	Membership fee (\$USD)
1	International Copper Association	US	To develop and defend markets for copper and to make a positive contribution to society's sustainable development goals.	US\$2,100,000
2	Minerals Council of Australia (MCA)	Australia	The MCA represents Australia's exploration, mining and minerals processing industry nationally and internationally including its contribution to sustainable development and society.	US\$1,400,000
3	Diamonds Producers Association	North America	To protect and promote the integrity and reputation of diamonds, thereby ensuring the sustainability of the diamonds industry.	US\$1,300,000
4	International Council for Mining & Minerals (ICMM)	UK	ICMM is dedicated to a safe, fair and sustainable mining and metals industry. They serve as a catalyst for change; enhancing mining's contribution to society.	US\$1,100,000
5	Aluminium Association of Canada	Canada	The AAC represents the Canadian primary aluminium industry, and strives to ensure that the Canadian primary aluminium industry is considered a world-class model of sustainable prosperity.	US\$539,000

Rio Tinto's position on climate and energy policies

As pioneers in metals and mining, Rio Tinto produces materials essential to human progress. The metals and minerals Rio Tinto provides are vital for all stages of economic development in both emerging and developed countries. Rio Tinto accepts the assessment of climate change science and believes that sustainable development requires both continued economic growth and an effective response to climate change. As a result continuing to drive economic growth while also responding to climate change is a strategic issue for Rio Tinto. We aim to be part of the solution by reducing our greenhouse gas (GHG) emissions; testing and building the resilience of our portfolio; and providing sustainable metals and minerals.

On the complex issue of climate change, we believe that significant progress towards a solution will only occur where there is broad engagement involving the breadth of experience and opinion from business, governments, investors, civil society organisations and consumers.

Rio Tinto advocates for policy that is consistent with our public climate change position and the principles contained within it. Table 1 summarises these issues. The analysis of industry associations has been undertaken against these principles.

Table 2 - Key climate change and energy issues

	Issue	Rio Tinto's position
1	Climate science	Acceptance of mainstream climate science and the fact that climate change is occurring and is largely caused by human activities
2	Paris Agreement	We support the outcomes of the Paris Agreement and the long term goal to limit global average temperature rise to well below 2°C
3	The role of business	Business has a role to play in addressing and managing the risks and uncertainties of climate change
4	Emission reduction and energy targets	It is important to set targets, take action to achieve them, and report on progress against targets
5	Adapting to climate change	We recognise the importance of adapting to climate change by increasing resilience to a changing climate
6	Market mechanisms for least cost abatement	We support the use of market mechanisms, including a market-based price on carbon
7	Competitiveness	Competitiveness issues and the need to minimise competitive distortion within and across jurisdictions is important, especially for emissions intensive trade exposed (EITE) industries
8	Climate and Energy Policy	Rio Tinto will promote alignment with its climate and energy policy in its discussions with industry association members

Significant differences in policy positions

US Chamber of Commerce

Rio Tinto derives a range of benefits from the broad activities of the US Chamber of Commerce. Primarily, Rio Tinto's membership is focused on advocacy and engagement on economic issues such as free trade. There are significant differences in climate policy positions with the US Chamber of Commerce (see table 3).

Given the focus of our engagement on trade and the benefit we receive from this, Rio Tinto will continue to be a member of the US Chamber of Commerce. We will continue to engage with the Chamber's Energy, Clean Air & Natural Resources Committee and senior leadership and other member companies, where appropriate, to inform the organisation's policies on climate change and energy related issues, consistent with our climate change position.

Table 3 – US Chamber of Commerce policy differences

Issue	Association position	Rio Tinto's position
Paris Agreement	The US Chamber does not support the Paris Agreement on the grounds that it may have adverse and unintended consequences on the US economy such as raising energy prices and lead to carbon leakage to other countries with fewer environmental controls.	Rio Tinto supports the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to well below 2C. We recognise that achieving this goal will require individual jurisdictions to take actions in line with their Nationally Determined Contributions, and raise ambition over time.
Market mechanisms for least cost abatement	The US Chamber does not support introducing a price on carbon. The Chamber sees that technology and innovation offer the greatest potential to reduce greenhouse gas emissions and mitigate the negative impacts of climate change, and has routinely supported tax incentives and credits, appropriations, and stimulus funding to promote the accelerated development of these technologies.	Rio Tinto supports market mechanisms as the best way of achieving emissions reductions at least cost, and supports a market-based price on carbon.

National Mining Association (US)

The US National Mining Association's (NMA) mandate is to build support for public policies that enable the safe and ethical extraction and use of mineral resources. This objective is consistent with Rio Tinto's own objectives and we will remain a member of the NMA.

There are significant differences in climate policy positions with the NMA (see table 4). As a Board member of NMA, Rio Tinto engages the organisation's senior leadership to highlight these policy differences and find ways to develop a constructive conversation among all members.

Table 4 – US National Mining Association policy differences

Issue	Association position	Rio Tinto's position
Paris Agreement	The NMA has not supported the Paris Agreement on the grounds that on the grounds that it believes that it will have damaging effects on the US economy.	Rio Tinto supports the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to well below 2C. We recognise that achieving this goal will require individual jurisdictions to take actions in line with their Nationally Determined Contributions, and raise ambition over time.

Market mechanisms for least cost abatement	The NMA did not support the Clean Air Act (2008) and has campaigned to remove the Clean Power Plan (CPP). NMA believes the CPP will not have a meaningful impact on climate change and will result in increased electricity costs in the US ¹ . Government should support the development of low emissions technology, rather than implement regulation that would put a price on carbon due to its damaging effects on the US economy.	Rio Tinto supports market mechanisms as the best way of achieving emissions reductions at least cost, and supports a market-based price on carbon.
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¹ See <https://nma.org/wp-content/uploads/2018/04/NMA-CPP-Repeal-Comments.pdf>

Appendix 1 – List of Industry Associations which take positions on climate change and energy

	Industry Association	Jurisdiction	Purpose	Engagement
	Business Council of Australia (BCA)	Australia	The BCA provides a forum for the chief executives of Australia's largest companies to promote economic growth and social progress in the national interest.	Rio Tinto has a position on the BCA Board. We actively participate in the Energy and Climate Change Working Party.
	Minerals Council of Australia (MCA)	Australia	The MCA represents Australia's exploration, mining and minerals processing industry nationally and internationally including its contribution to sustainable development and society.	Rio Tinto has a position on the MCA board. We actively participate in the Energy and Climate Change Standing Committee and were actively involved in the development of MCA's new energy and climate position.
	Queensland Resource Council (QRC)	Queensland (Australia)	The QRC is an independent body representing the commercial developers of Queensland's minerals & energy resources.	Rio Tinto has a position on the QRC board.
	Australian Aluminium Council (AAC)	Australia	The AAC is the peak body representing the aluminium industry in Australia. Through its technical group, the AAC develops and maintains material specifications, standards and other technical data for those users both within and outside the industry.	Rio Tinto has a position on the AAC board. Rio Tinto Aluminium is one of the major participants in this organisation.
	Mining Association of Canada (MAC)	Canada	MAC is the national voice of the Canadian mining industry in promoting the industry; working with governments on policies affecting the sector; and educating the public on the value mining brings to the economy.	Rio Tinto has a position on the MAC board.
	Aluminium Association of Canada (AAC)	Canada	The AAC represents the Canadian primary aluminium industry, and strives to ensure that the Canadian primary aluminium industry is considered a world-class model of sustainable prosperity.	Rio Tinto Aluminium is one of the major participants in this organisation.
	Minerals Council South Africa (formerly the Chamber of Mines South Africa)	South Africa	The Minerals Council acts as a principal advocate for mining in South Africa to government, communicating major policies endorsed by its members. It seeks to create, in partnership with key stakeholders, a conducive policy, legislative and operating environment that facilitates doubling real investment in mining by 2030.	Rio Tinto has a position on the Minerals Council board.
	Industry Task Team on Climate Change (ITTCC)	South Africa	The ITTCC is a voluntary, non-profit association made up of a number of large companies whose activities together play a material part in the nature and scale of South Africa's carbon footprint.	Rio Tinto contributes to submissions produced by ITTCC regarding the proposed carbon tax in South Africa.
	US Chamber of Commerce (USCC)	United States	The U.S. Chamber of Commerce represents the interests of more than 3 million businesses of all sizes, sectors, and regions.	Rio Tinto is a member of the Chamber's Energy and Climate Change committee.
	US National Mining Association (NMA)	United States	The NMA is a leading voice of the US mining industry and represents all mining sectors – coal, hard rock, and others.	Rio Tinto has a position on the NMA board.
	US Aluminum Association (USAA)	United States	The USAA is committed to advancing aluminum as the sustainable metal of choice around the world. It provides global standards, industry statistics and expert knowledge to member companies and policy makers nationwide and is highly engaged in public policy and technical forums.	Rio Tinto Aluminium chairs the Government Affairs Committee of the USAA.
	Eurometaux	Europe	Eurometaux is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policy makers. Eurometaux aims to promote sustainable production, use and recycling of non-ferrous metals in Europe; as well as a	Rio Tinto Aluminium is a member of the Champion Energy and Climate Change committee of Eurometaux.

Industry Association	Jurisdiction	Purpose	Engagement
		supportive business environment for our members to thrive in.	
 European Aluminium Association	Europe	The European Aluminium Association is an industry association in Brussels representing 80+ member companies and advocating at the EU level for the European aluminium value chain.	Rio Tinto Aluminium chairs the Aluminium Association's Competitiveness Working Group.
 European Roundtable of Industrialists (ERT)	Europe	Organisation of industrial companies in Europe who advocate on a range of business issues focused on maintaining competitiveness and growth for EU companies.	Rio Tinto's Chief executive is an active member of the ERT. Rio Tinto is a member of the ERT energy and climate working group.
 International Emissions Trading Association (IETA)	International	IETA is a non-profit business organisation which promotes the use of carbon markets and aims to establish a functional international emissions trading regime.	Rio Tinto has a position on the IETA board, and participates in a number of IETA working groups. We are a founding member and funder of the Business Partnerships for Market Readiness initiative run by IETA with the World Bank.
 International Council of Mining and Metals (ICMM)	International	ICMM is an international organisation dedicated to a safe, fair and sustainable mining and metals industry; and serves as a catalyst for change - enhancing mining's contribution to society.	Rio Tinto's chief executive is a member of the ICMM Council and has worked closely to support the development of ICMM's climate change position. We are an active participant in the climate change and energy working group.
 Australian Industry Greenhouse Network (AIGN)	Australia	AIGN is a network of industry associations and individual businesses which contribute to the climate change policy debate and see value in joint industry action on climate change in order to promote sustainable industry development.	Rio Tinto participates in the monthly AIGN meetings.
 Chamber of Minerals and Energy of WA (CMEWA)	Western Australia (Australia)	CMEWA represents members across mining, oil and gas and resources sector services, supporting an innovative and competitive Western Australian resources sector, which delivers value to the community and investors while underpinning Australia's economy.	Rio Tinto has a position on the CME Management Committee and is a member of the Climate Policy and Energy Efficiency Reference Group.
 International Chamber of Commerce	International	The ICC works to promote international trade, responsible business conduct and a global approach to regulation to accelerate inclusive and sustainable growth to the benefit of all.	
 Business Council of Canada	Canada	The Business Council of Canada brings business leaders together to shape public policy in the interests of a stronger Canada and a better world.	
 Business NZ	New Zealand	Business NZ is New Zealand's largest advocacy group for business.	Rio Tinto is a member of the Business NZ Energy Council.
 The Business Council of British Columbia	British Columbia (Canada)	The Business Council of British Columbia aims to produce timely and exceptional public-policy research and advice on issues to enhance BC's competitiveness and prosperity. The Council strives to be a venue where members, policy experts, elected officials and government decision makers can address problems and form solutions together.	
 Quebec Business Council of the Environment	Quebec (Canada)	The CPEQ's mission is to act as a spokesperson for Quebec companies on issues related to the environment and sustainable development.	
	No significant difference in stated policy positions currently exists.		
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