

Rio Tinto's 'Sustainable Mining' Claims Exposed

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Global mining giant Rio Tinto markets itself as a 'sustainable company'. But serious failures in its reporting, and its attempt to hold an Australian indigenous group to ransom, reveal a very different truth: the company is driven by a reckless pursuit of profit at any cost.

Rio Tinto uses its sustainability reporting to bolster the argument that it is a responsible company and therefore entitled to a license to operate.

Now, a global campaign is demanding that Rio Tinto live up to its sustainability claims.

Rio Tinto subsidiary, Energy Resources of Australia (ERA), has threatened the Mirarr people that if it is not allowed to expand its Ranger uranium mining operations underground, it may be unable to fully fund rehabilitation of the open pit mine.

The Ranger mine is located in the traditional lands of the Mirarr, the world heritage-listed Kakadu national park in Australia's Northern Territory.

If ERA does not complete rehabilitation of the site, which suffered a radioactive spill last year, the water, air quality and soil in the area could be scarred with toxic radiation for generations.

'It's not our problem'

When a shareholder confronted Rio Tinto CEO Sam Walsh about this at the company's April annual meeting, Walsh [flatly refused](#) to commit to full rehabilitation or take responsibility for the mess.

Walsh said it is a problem for ERA, not Rio Tinto: *"We are clearly shareholders [of ERA], but it's a matter for all shareholders and a matter for the ERA board."*

What he did not mention is that Rio Tinto is the controlling shareholder of ERA, and that five out of six ERA board members are current or former Rio Tinto employees.

What's more, in its latest [sustainable development report](#), Rio Tinto unequivocally states that *"ERA will make sure that when its operations come to an end, the Ranger Project Area will be safely closed and rehabilitated ... "*

RT: sustainability 'supporting our license to operate'

Rio Tinto is keen on sustainability reports. It produces them both at the global level and for many of its individual sites.

The reason why is neatly summed up in the title of its 2013 sustainable development report: *“Supporting our license to operate”*. In effect, Rio Tinto uses its sustainability reporting to bolster the argument that it is a responsible company and therefore entitled to a license to operate.

This tacit license is distinct from the authorisation it needs to operate each individual mine, such as land, water and air permits. However, it is just as important.

Unless it is seen as trustworthy, decision-makers will be reticent to grant mining rights to Rio Tinto. Without these rights, the company will have no way to make profits.

Fiction not fact – only 60% of sustainability claims are true

Much of the information that Rio Tinto reports on its website is subject to strict accuracy requirements. It mirrors the information it provides to securities regulators where Rio Tinto's shares are traded.

But the company's sustainability reporting is not subject to such controls. Rio Tinto states that its sustainable development reporting is in line with Global Reporting Initiative (GRI) guidelines, a voluntary set of rules used by 6,000 companies around the world.

However, when examining the sustainability reporting of leading Australian companies that apply the GRI guidelines, Catalyst Australia came to a [different conclusion](#).

It found that only 60% of Rio Tinto's sustainability claims are accurate compared with information the company reports. Rio Tinto scored second worst out of the 16 companies that Catalyst examined.

The ugly truth

IndustriALL Global Union recently analysed Rio Tinto's reporting and performance in the four categories the company uses for sustainability reporting: social, governance, economic, environment.

The resulting study, '[Unsustainable: the ugly truth about Rio Tinto](#)', also reveals that Rio Tinto's sustainability reporting contrasts sharply with the company's actual performance in all four categories.

It shows how Rio Tinto's reckless pursuit of profit at any cost has caused disputes with numerous unions as well as environmental, indigenous and community groups. Most of the disputes covered in the report are ongoing.

Rio Tinto has continued to [provoke disputes](#) in the three months since the report was released:

- with South African regulators by illegally operating a coal mine for a decade;
- with injured Australian workers by systematically targeting them in a layoff;
- with leaders in Zimbabwe by reportedly reneging on a pledge to support community development programs;
- and with the people of Papua New Guinea by rejecting calls for an investigation into the company's role in a bloody civil war.

Rio Tinto will go on provoking disputes and operating in an unsustainable manner unless it believes that doing so could threaten its license to operate.

To reform Rio Tinto, first we must threaten its 'license to operate'

IndustriALL in collaboration with our affiliated unions and civil society organizations is running a campaign aimed at getting Rio Tinto to operate in a sustainable way.

We have organized actions at high profile company events in Australia, South Africa and the UK. We have reached out to politicians and community leaders in places where Rio Tinto operates, and hopes to operate.

We are organizing more workers at Rio Tinto workplaces. We are producing research, sharing information through our networks, and getting coverage in the media. We are organizing a [global day of action targeting Rio Tinto for 7 October](#) this year.

Through these activities, we are getting our message out to key stakeholders: Rio Tinto has not yet earned the mantle of sustainable company.

The more effectively we get this message out, the more the company will see the campaign as a threat to its 'license to operate'. Our goal is for Rio Tinto to decide it is in its best interest to live up to its own sustainability claims.

Achieving that goal will not be easy. It will require collaborative efforts of a diverse and global coalition over an extended period. We are interested in working with others to continue to build this campaign and coalition.

Kemal Özkan is Assistant General Secretary of IndustriALL Global Union, which represents 50 million workers in 140 countries in the mining, energy and manufacturing sectors.

Please [contact us](#) to discuss how you can be involved in our effort.

The report: '[Unsustainable: the ugly truth about Rio Tinto](#)'.

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