

Rio Tinto response to BHRRC

11 December 2023

We thank the Business & Human Rights Resource Centre (BHRRC) for the opportunity to respond to issues raised in the media reports.

By way of background, QIT Madagascar Minerals (QMM) is a mineral sands mine located on the south-eastern tip of Madagascar, near the city of Fort Dauphin. It is 80% owned by Rio Tinto and 20% by the Government of Madagascar. QMM currently employs some 2,000 people, 98% of whom are Malagasy. Since 2005, QMM has invested over US\$1 billion in Madagascar, with US\$400 million invested in building shared infrastructure through public-private partnerships.

QMM operates in a highly sensitive area from a water and broader environmental perspective. The local communities are farmers and fisherfolks, and rely on the rivers and lakes surrounding QMM's operations for their livelihoods. These communities are our neighbours and we take our responsibility to them very seriously.

For context, we would like to provide more information about the incidents from 2022 and 2023 which are referenced in some of the reports.

Controlled mine water release in 2022

Following three cyclones and extreme rain falls at site in early 2022, a controlled "exceptional" water release was undertaken by QMM, authorised by the Malagasy Regulator, to ensure the integrity of our infrastructure and the safety of our people and communities.

Shortly after the release, some community members accused QMM's water release of being the cause of dead fish in the bodies of water surrounding the mine. QMM, together with the Regulator, undertook a series of water sample analyses, in addition to ongoing release water monitoring. These showed no conclusive link between the activities of the mine and the fish deaths. Despite this, the situation escalated and in response a fishing ban was imposed by the Government.

QMM also commissioned independent experts, Water Research Group (WRG), to investigate the fish deaths. Preliminary findings indicate that the fish deaths are unlikely to have been caused by any of the metals concentrations in fish. The final WRG report will be released publicly in early 2024.

2022 grievance and remedy process

In addition to short-term measures taken by QMM to respond to the fishing ban, including emergency food deliveries to over 7,000 affected households, a tripartite process was initiated between the Government, QMM and community representatives and led to an agreed community grievance process in May 2022.

A total of 8,778 claims were considered in the process, with 5,204 eligible individuals receiving compensation from QMM by March 2023. Claimants were organised in three main categories: fisherfolk, natural resource users and land claimants. Compensation was agreed with claimant representatives, following a negotiation process, and based on the cumulative impact of QMM's operations for each specific group deemed eligible since operations began. Land claimants were deemed not eligible and managed by a separate process between the land claimants and the authorities.

The process was voluntary and publicised within affected communities including on local radio. Negotiations took place with representatives of fisherfolk and natural resource users, in the presence of two observers and a jointly appointed mediator. The representatives of the various groups were to keep the communities informed of developments.

A blockade of the mine access road in December 2022 eventuated when those deemed ineligible through the tripartite process were notified. This incident, which lasted more than two weeks, saw operations at QMM curtailed to the provision of essential services only, such as water management and power for the

town of Fort Dauphin. The move, which was made to ensure the safety of our people, resulted in short-term power outages in Fort Dauphin. The situation led to further negotiation and agreement, with QMM committing to increase its community investment to US\$10 million over three years. This investment has since been superseded and increased to US\$4 million per year under the fiscal agreement reached with the Malagasy Government in August 2023.

2023 LUSUD incidents

In June 2023, protest led by LUSUD (Lutte pour le Sud), targeted QMM's operations and resulted in nearly 400 of our people being prevented from leaving our site for nearly a week. To ensure the safety of our people, Rio Tinto curtailed most activities, leaving only essential services such as the provision of power to Fort Dauphin. On 4 July 2023, following the intervention of the national and local authorities to restore order, QMM was able to resume operations.

The LUSUD-led demonstrations were unlawful, taking place despite a ban on public gatherings to preserve national peace and unity during the celebration of Independence Day. We understand the Government issued arrest warrants against the leaders of LUSUD.

We are committed to working with communities and their representatives in an open and respectful manner. For example, QMM invited LUSUD to participate in a panel discussion with local civil society organisations (ROHY) on 5 - 6 June 2023 in Fort Dauphin, but they declined our invitation. In early July, an association of traditional leaders from the Fort Dauphin area (FTAMAR) invited both LUSUD and QMM to participate in a facilitated dialogue following the disruptions, however, LUSUD did not attend.

In October 2023, LUSUD organised another protest near QMM's operations. Our understanding is that its principal demand was the cancellation of the arrest warrants issued in respect of their leaders.

During this protest, on 20 October 2023, there was an incident between Madagascan Public Security Forces and local demonstrators near QMM's operations. In addition to a roadblock erected by the demonstrators, Public Security Forces publicly confirmed that two people were taken hostage by the protesters. Public Security Forces intervened to free the hostages, which led to a violent altercation, following which Public Security Forces have stated that one person died, and another was injured. Our thoughts are with those affected by this tragic incident.

QMM respects people's right to protest in a safe and lawful way, however, rejects any behaviour or activity that can threaten the safety and welfare of others. QMM has provided support to local authorities and traditional leaders to help find a safe and peaceful long-term solution to concerns, with safety and security remaining our priority. We continue to seek open and respectful dialogue with local communities and other stakeholders, and are committed to building relationships based on trust, safety, and mutual respect.

Water

QMM's operations at Mandena was originally assumed to be water deficient, that is, freshwater would be required to be extracted from the surrounding environment to assist the mine processes. Since 2014, QMM has not needed any freshwater from the surrounding environment for operational purposes.

While no chemicals are added or used in the mining process, the mining operation does influence the quality of the process water. Historically, QMM has operated under a national decree exemption approved by the Regulator that allowed the release of water into the receiving environment with a pH between 3.2 and 6. As of November 2020, the Regulator required QMM to comply with the national decree for all surface water release, with a pH between 6 and 9. This triggered the need for QMM to install a water treatment plant to comply with the amended decree.

Since July 2022, QMM has released water through the pilot water treatment plant and polishing pond, with the aim to meet the Regulatory decree for pH and aluminium. After a successful trial, the water treatment plant will now be expanded and is expected to be operational in 2024.

QMM will shortly make available the 2021-2023 Water Report, which includes its water management strategy, and monitoring data and performance, on the [QMM webpage](#).

Radiation

In 2019, the Andrew Lees Trust (ALT UK – a civil society organisation) commissioned a study, based on QMM's data, which claimed QMM's activities had caused elevated levels of radiation around Mandena. Following those allegations, in 2019 QMM commissioned a study to assess that risk with independent

international radiation expert, JBS&G, based in Australia. The three-year study published in [September 2023](#) shows that there is no basis for heightened health concerns around local radiation levels. The analysis received on the five cycles covering various seasons from November 2019 to October 2022 shows that local food sources, water, air and dust are safe from a radiological perspective.

Community initiatives

QMM recognises that access to safe and clean water is a fundamental human right. We are committed to playing our part in protecting water in and around our operations and helping communities to have access to potable water. We continue to invest to help communities in the municipality of Ampasy Nahampoana, Mandromondromotra, Andrakaraka and Emanaka receive access to potable water.

- The construction of the Andrakaraka and Emanaka potable water stations was finalised in 2022 and 2023 respectively.
- The construction of the potable water stations for Mandromondromotra and Ampasy Nahampoana will be completed soon.

In November 2023, the Governor of the Anosy Region officially announced the launch of a major project to improve access to potable water for Fort Dauphin and its surrounding areas. QMM, in collaboration with other entities, will contribute to this project, the details of which will be shared soon.

As part of the Fiscal agreement with the Government of Madagascar announced in August 2023, QMM will be issuing its first dividend to the Government, with the Government committing to invest an amount equal to this first dividend (US\$12 million) in the 109km rehabilitation project of the National Road 13 (RN13). Rio Tinto will also participate in this project with up to US\$8 million in additional funds to be released according to agreed milestones. This project will bring significant improvement to the region by facilitating the movement of people and critical supplies to hard-to-access areas.

Also in August 2023, QMM announced a US\$2 million donation to UNICEF to support their emergency response efforts to the famine crisis in Madagascar. This is one of several UNICEF disaster response efforts that Rio Tinto has supported over the past 18 months.

We continue to work to increase transparency, engage in good faith, and build lasting relationships with the local communities, to understand concerns and together, develop long-term solutions.