

Geneva, 20 August 2013

Mr. Sam Walsh

Chief Executive Officer (CEO)
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Transmitted by e-mail: sam.walsh@riotinto.com; fiona.tansley@riotinto.com

Mass Dismissals at Rio Tinto Operations in Mongolia and Madagascar

Dear Sam Walsh,

I am writing this letter to you on behalf of [IndustriALL Global Union](http://www.industrial-union.org), which represents more than fifty million workers in mining, energy and manufacturing sectors in some 140 countries as a voice for its members, including Rio Tinto employees, for better working conditions and trade union rights around the world. It is for this reason that I write to you to strongly express our serious concerns over the mass dismissals from Rio Tinto operations in Mongolia at OT LLC and in Madagascar at QMM.

These developments are not new and surprising to IndustriALL Global Union and its affiliates. It is common practice that Rio Tinto will engage in such actions as many of our affiliates have had very bitter labour disputes with your company in a number of countries such as Australia, United States of America, Canada, and now Mongolia and Madagascar.

IndustriALL Global Union and its affiliates have been closely following Rio Tinto's \$ 6.6 billion Oyu Tolgoi mine investment in Mongolia since the Investment Agreement with the Government of Mongolia was signed in 2009. According to the information and documentation we have been receiving, Rio Tinto is reported to be seriously violating human and trade union rights and damaging the environment in Mongolia.

Along with widespread discontent across all Mongolian society, inspection reports produced by the Ministry of Labour confirm that Rio Tinto is indeed in breach of national and international laws related to the fundamental rights of its employees. There have also been different verdicts issued by district and city level courts confirming that Rio Tinto is violating workers' rights contrary to the provisions of the national Labour Law.

In addition to this general situation, recent information regarding Redpath Mongolia strongly confirms the general picture I have drawn up above. This company, which is building the underground portion of the mine, handed notices of termination to workers in execution of a decision by the Oyu Tolgoi LLC's board of directors. The decision to dismiss 1700 workers is apparently over a disagreement about revenue sharing of the mine with the government of Mongolia.

Turquoise Hill Resources, a subsidiary of Rio Tinto, announced on 12 August 2013 that until "matters can be resolved with the Mongolian government and a new timetable has been agreed", the funding and development of the mine's underground expansion would be delayed. This dispute

has nothing to do with workers but everything to do with Turquoise Hill Resources achieving Rio Tinto's objective and desired outcome.

On the other hand, in a very recent case in Madagascar, mass dismissals by Omega security, affecting over 300 workers have been reported. IndustriALL Global Union's affiliate, the Fédération des Syndicats des Travailleurs de l'Energie et des Mines (FISEMA), has called on Rio Tinto and local authorities to adequately deal with the situation. We have been informed that these dismissals come with no social planning for the dismissed workers and that Rio Tinto has not entered into meaningful dialogue with the union. Such behaviour by Rio Tinto is contrary to its so-called sustainable development policy, practice and ethos that Rio Tinto proclaims, but that we have not seen on the ground.

On the basis of both cases in Mongolia and Madagascar, IndustriALL Global Union finds Rio Tinto being very much in contravention of both national labour laws and international labour standards, which it claims to subscribe to.

In order to address this untenable situation, IndustriALL Global Union and its affiliates have created a Global Network composed of its affiliates with a presence at Rio Tinto operations worldwide. The main objective and purpose of the Rio Tinto Global Network is to highlight and combat these violations, like the ones I described above.

On behalf of IndustriALL Global Union and its Rio Tinto Global Union Network, I urge you as the Chief Executive Officer to enter into meaningful dialogue with the relevant stakeholders, trade unions, civil society organisations and government authorities to address these dreadful situations.

I anticipate your quick reply.

Yours Sincerely,

A handwritten signature in blue ink, appearing to be 'JR' with a stylized flourish.

Jyrki Raina
General Secretary
IndustriALL Global Union