

# Rio Tinto in Africa

## Global Citizen or Corporate Shame?

A profile of Rio Tinto's activities and projects in Africa prepared by IndustriALL Global Union, covering 50 million workers in 140 countries around the world.



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Cover image: Hands © International Labour Organization/Crozet M.

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[www.industriall-union.org](http://www.industriall-union.org)

## **IndustriALL Global Union**

IndustriALL Global Union is a new international organization that brings together unions representing 50 million workers in 140 countries in the mining, energy and manufacturing sectors.

IndustriALL is a new force in global solidarity taking up the fight for better working conditions and trade union rights around the world. The organization came together at its founding congress in June 2012.

IndustriALL is committed to negotiating with multinational companies at the global level. Covering workers in the mining sector and manufacturing sectors means that IndustriALL covers many of the world's largest and most profitable companies.

As companies have become more international and global, they have invested more and more in risk management through 'corporate social responsibility' as a 'brand' to help manage their shareholders.

But does the CSR promise match the reality of the working lives of people across the globe.

For too long, international companies have got away with good corporate citizenry in one country, while continuing poor practices in another.

IndustriALL will be working across the membership in 140 countries to build stronger unions, fight for workers' rights, campaign against precarious forms of work and to promote social justice, health and safety at work and equality for women in the workplace.

## Mining Companies and Global Social Responsibility

In the midst of the worst global recession ever to hit the world in 2008, the mining industry experienced a commodity boom. This boom, largely fuelled by the growth of China and India, created unprecedented demand for coal, mineral resources and precious stones. Against the background of the financial crises, mining companies continued to outperform the overall market, as consumer sectors dependent on demand from developing economies struggled to recover. Most mining companies came through the crises with robust balance sheets.

As the global economy faces another threat of a likely recession, induced by the Euro-zone crises, the mining industry is poised to provide a haven, although not quite at the level of the last financial crisis. According to Rio Tinto's Tom Albanese, "...the longer term demand picture remains positive".

Paradoxically, mine workers and many local mining communities fail to benefit from the ongoing strength and success of the global mining industry. According to the Social Watch Report 2012, the economic growth driven by mining as its main motor and led by escalating commodity prices, "...is not benefitting the majorities" of the populations of developing countries. Instead, the global mining giants get bigger and more profitable, while many nations struggle to provide basic services to the communities.

## Rio Tinto – from global giant to corporate citizen

IndustriALL is committed to campaigning across our membership in 140 countries to raise the profile of Rio Tinto and its practices across the world.

This mining giant has a huge international footprint, generating enormous profits from the natural resources and minerals that should rightly benefit nations and their communities.

Rio Tinto has already been named as the 6th most controversial company in the world by RepRisk, a firm specializing in assessing the possible environmental, social, governance and reputational risks of multinational companies.

In 2011, protest actions accompanied Rio Tinto's AGM. These protests involved regions around the globe where Rio Tinto has operations, such as Indonesia, Mongolia and the U.S. The issues that brought together activists from multiple sights of struggles around the world have not been resolved, as is evidenced by similar actions in 2012 that accompanied Rio Tinto's AGM, such as the United Steelworkers dispute with Rio Tinto over the lockout of 785 workers in Alma, Québec. Controversies surrounding Rio Tinto include key issues such as the highly publicized uranium mining environmental and health hazards for workers; alleged genocide and war crimes in Papua New Guinea; the use of private mercenary and security companies; the risk of social and environmental damage at many operating mines and mining projects proposed by Rio Tinto and its subsidiaries.

Rio Tinto also stands accused of wholesale violation of the World Bank's International Financial Corporations standard guidelines attached to the loan conditions for lending such as in Cameroon and Guinea.

**IndustriALL is committed to a campaign that:**

- **Shines a light on the activities of Rio Tinto in communities across the world**
- **Measures up Rio's claims to being a good corporate citizen with the realities.**
- **Communicates with shareholders and the business community to inform them of Rio's behaviours.**
- **Builds a global campaign audience through members, activist groups and the global environment movement.**

## Rio Tinto in summary:

### RIO TINTO plc.

TYPE:	Public Company
TRADE:	ASE: RIO LSE: RIO NYSE: RIO
INDUSTRY:	Metals and Mining
FOUNDED:	1873
HEADQUARTERS:	London, United Kingdom
KEY PEOPLE:	Jan Du Plessis: Chairman Tom Albanes: CEO
PRODUCTS:	Iron ore, Bauxite, Alumina, Aluminium, Copper, Molybdenum, Gold, Diamonds, Coal, Uranium, Titanium Dioxide, Borates, Salt, Talc
REVENUE:	US\$ 26.2 billion (2010) US\$ 27.4 billion (2011)
EMPLOYEES:	77 000 people (2010) 51 000 people (2011)

Source: [http://en.wikipedia.org/wiki/Rio\\_Tinto\\_Group](http://en.wikipedia.org/wiki/Rio_Tinto_Group)

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and New York Stock Exchange listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

**Rio Tinto's** business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, thermal and metallurgical coal, uranium, gold, industrial minerals (borax, titanium dioxide and salt) and iron ore. Activities span the world and are strongly represented in Australia and North America with significant businesses in Asia, Europe, Africa and South America.

Rio Tinto reported an 11% increase in its underlying earnings to a record US\$15.5 billion in 2011. Cash flow from the group's operations were 16% higher at US\$27.4 billion, and capital expenditure jumped to US\$12.3 billion, against US\$4.6 billion in 2010. Total capital expenditure in 2012 on approved projects, and sustaining capital, is expected to be US\$16 billion.



The Swiss metal union UNIA, the International Metalworkers' Federation (IMF) and the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) protested against the use of Rio Tinto metals in Olympic medals with an action at the International Olympic Committee (IOC) in Lausanne on 14 May 2012.

## CONTRIBUTION OF RIO TINTO'S FIVE PRODUCT LINE TO GROUP EARNINGS

### IRON ORE:

Rio Tinto is the second largest producer supplying the global seaborne iron ore trade - Iron ore that is exported by ocean trade routes to coastal or near coast steel making plants.

Iron Ore contributes 73% of the group's total earnings.

For the third quarter of 2011, says Albanese, "We have set new quarterly records for iron ore sales and hard coking coal production as our operations recovered from the severe weather experienced earlier in the year. Whilst we are mindful of current market volatility, the fundamentals are holding up well, particularly for bulk-traded commodities. We are operating at full capacity, selling all we produce and our growth programme is on track, supported by the strength of our balance sheet."

Rio Tinto produced a record 65 million tonnes of iron ore in the fourth quarter of 2011 and 245 million tonnes for the year.

### ALUMINIUM:

Rio Tinto's integrated facilities include high quality bauxite mines and alumina refineries, as well as some of the world's **lowest** cost primary aluminium smelters.

#### Products

Bauxite, alumina, aluminium

Aluminium contributes 6% of the group's total earnings

It is thus not surprising that in **October 2011**, Rio Tinto announced it had decided to **move away from its aluminum business and would put up close to \$8 billion worth of assets for sale**. Only four years earlier, Rio Tinto had purchased Canadian aluminum giant Alcan for \$38 billion, an acquisition that left it with a huge debt burden.

The move was an indication that Rio Tinto will divert more of its resources into its iron ore business, which already contributes about 80% of the company's earnings. **Rio Tinto said it would sell 13 assets which include smelters and refineries across Australia, New Zealand, Germany, France and the United States. The estimated worth of these assets come to \$8 billion.**

### COPPER:

In 2010, Rio Tinto produced 678 thousand tonnes of copper, making it the world's fifth largest supplier. Rio Tinto also produced 772 thousand ounces of gold and 13 thousand tonnes of molybdenum as by-products of its copper operations.

#### Products

Copper, gold, molybdenum, silver, nickel

Copper contributes 18% to the group's total earnings

### DIAMONDS AND MINERALS GROUP:

Rio Tinto's Diamonds & Minerals group comprises mining, refining and marketing operations across **three sectors**. **Rio Tinto Diamonds** is one of the world's leading diamond producers, active in mining and sales and marketing.

#### Products

Diamonds, borates, titanium dioxide, feedstocks, talc, high purity iron, metal powders, zircon, rutile

Diamonds and Minerals contribute 2% of the group's total earnings.

Rio Tinto is considering selling off its diamond assets

### ENERGY:

Rio Tinto is a leading supplier of thermal and coking coal to the Asian seaborne market and is one of the world's largest uranium producers, serving electric power utilities worldwide.

Its Energy portfolio include: Rio Tinto Coal Australia; a coal mine at Colowyo in Colorado, U.S.; Energy Resources of Australia, which produces uranium oxide from its Ranger operation; and Rössing, a Namibian uranium oxide producer.

Rio Tinto's energy portfolio contributes 8% to the group's earnings.

## Rio Tinto's operational footprint in Africa

COUNTRY	LOCATION	PRODUCT	% OWNERSHIP
GUINEA	SANGREDI	ALUMINIUM (BAUXITE)	23
GUINEA	KAMSAR	ALUMINIUM (BAUXITE)	23
GUINEA	SIMANDOU	IRON ORE	50.35
SOUTH AFRICA	RICHARDS BAY	TITANIUM DIOXIDE	74
SOUTH AFRICA	PALABORWA	COPPER	57.7
MOZAMBIQUE	BENGA & ZAMBEZI	COAL	99,74
NAMIBIA	RÖSSING	URANIUM	69
ZIMBABWE	MUROWA	DIAMOND	78
MADAGASCAR	QIT MADAGASCAR	ILLMENITE	80
CAMEROON	EDIA	ALUMINIUM	47

### Projects

- A Greenfield alumina refinery in Guinea
- Orientale iron ore project in the Democratic Republic of Congo.
- the construction and operation of a new, 1,000-megawatt hydroelectric generating station at Songmbengué in Cameroon

## Decoding Rio Tinto's DNA

Rio Tinto is the fourth largest mining corporation in the world. It is based in the United Kingdom and Australia. It operates over 60 mines and processing plants in 40 countries. The company employs 51,000 people directly and many more as sub-contractors.

### RIO TINTO'S GLOBAL STRATEGY

According to Australian stock-market analysts Margin of Safety Equity Research, "Rio Tinto's focus on large projects means that if a property fails to reach the 'Tier 1' status, it is disposed of." With its size and expertise, the company can afford being selective about its opportunities, reporting that since 2008, it 'has completed more than 20 divestments with total gross proceeds in excess of \$11 billion.' At the same time, the company maintains a steady flow of acquisitions and investments to replace these projects with new opportunities. At the end of 2010, Rio Tinto was actively exploring for various commodities in 16 countries and assessing opportunities in another seven countries. The company discovered eight Tier 1 projects between 2000 and 2010.

In South Africa, Rio Tinto has disposed of two operations, a copper mine and a coal mine respectively in accordance with its strategy of focusing on large "Tier 1" status. The Group sold its Chapudi coal project in Limpopo province at a rock bottom price of \$75m to Coal of Africa, whose CEO subsequently described the acquisition as a "bargain" for assets on which three to four mines could be developed.

Instead, Rio Tinto moved across the border in Mozambique bidding a \$4bn for control of junior coal company Riversdale Mining and the projects it controlled on the developing Moatize coal field near Tete.

In **June 2011**, Rio Tinto bought Tata Steel's 26% stake in Australia's Riversdale Mining, taking its holding in the company to 99.74%. Rio paid AUS\$16.5 per share, valuing the deal at AUS\$1.06bn (\$1.1bn; £700m).

Riversdale owns the four-billion ton Benga and nine-billion ton Zambeze coal projects in Mozambique and has sold off the Zululand Anthracite Colliery in South Africa. The move came after it acquired Brazilian steelmaker Companhia Siderurgica Nacional's 19.35% holding in Riversdale earlier in 2011. Rio said at the time it will now move to a compulsory acquisition of the company. "This is a great outcome for Rio Tinto," said Doug Ritchie, the CEO of Rio Tinto Energy. "The Riversdale acquisition reinforces our strategy of investing in and operating, long-life, cost-competitive mines and businesses with significant growth potential," he added.

Although Rio Tinto has confirmed to the market its intention to dispose of the Palabora copper mining operation in South Africa it continues to run the operations at a significant profit according to the operations' financial results released in February 2012. In September 2011 Rio Tinto and Anglo American said they intended to sell their entire long-held stakes in the company.

Rio Tinto owns 57.7% of Palabora, Anglo American 16.8%. The company is reportedly worth about \$975m (£605m). Both companies said the South African mine was not big enough to justify their continued ownership.

## AFRICA A KEY ELEMENT OF RIO TINTO'S STRATEGY

According to Douglas Ritchie, Chief Executive, Energy, Africa is a key element of resources group Rio Tinto's growth strategy. Rio Tinto signed a US\$1.3 billion in March 2010 with Chinalco to acquire a 47% stake in the Simandou Iron ore mine in Guinea.

Rio Tinto's Simandou iron ore project in the south east of Guinea will be the largest integrated mining project in Africa. More than US\$3 billion have been committed to date, with more than \$2 billion allocated to mine-related expenditure, including significant rail work tenders that have been released for the 650 kilometre trans-Guinean railway.

The International Finance Corporation (IFC), the private sector arm of the World Bank, owns a 5% stake of the Simandou project. **The IFC makes investments in projects that contribute to sustainable development, that are economically viable and comply with its social and environmental standards**, referred to as Standard Performance guidelines.

At the Benga Project, at Tete in Mozambique, Rio Tinto expects to see its first coal shipments around the end of March 2012. Similar to the Simandou iron ore project, Rio Tinto Coal Mozambique will require significant new investment, including port and rail infrastructure.

The group doubled its stake in Richards Bay Minerals - an important part of its titanium dioxide portfolio - to 74%, after BHP Billiton exercised an option to sell its holding.

The group has an extensive exploration programme in the region.

In late **January 2012**, Bloomberg reported that Rio Tinto has accepted China Guangdong Nuclear Power Corp's bid for its shares in Kalahari Minerals, the major shareholder in one of the world's largest uranium projects.

Last year Rio Tinto spent \$5.5 billion to repurchase 91 million of its own shares. A \$7 billion share buy-back programme on track for completion by end of Q1. To date \$6.2 billion has been completed, representing 103 million Rio Tinto plc shares equivalent to 5% of the Group's issued share capital. Companies buy back shares either to increase the value of shares still available (reducing supply), or to eliminate any threats by shareholders who may be looking for a controlling stake.

<http://www.investopedia.com/terms/b/buyback.asp#ixzz1ulnZcnMM>



Protesting at the Rio Tinto Annual General Meeting in London on 19 April 2012, Marc Maltais, President of United Steelworkers (USW) Local 9490 representing locked out workers at a Rio Tinto smelter in Alma, Canada said, "World class athletes deserve medals that aren't tainted by Rio Tinto's brutal treatment of its own workers and communities."

## Rio Tinto Global Citizen - the scorecard

### FICTION 1 | ON SUSTAINABLE DEVELOPMENT AND THE SOCIAL LICENCE TO OPERATE

“Rio Tinto is committed to **contributing to the social, economic, and institutional development of the communities in which we operate**. It is important to our shareholders, employees and many other stakeholders that we contribute to societal stability through local employability and employment opportunities, local procurement, civic governance and the transparent payment of tax and dividend payments. Our aspiration is to bring sustainable and net economic benefit to the regions and countries in which we have a presence. This approach helps us build a reputation as an organization that facilitates economic growth in the places where we work. In turn, this helps us earn our social licence to operate.”

### FICTION 2 | ON LABOUR RELATIONS

Rio Tinto maintains that “**respect is central to a harmonious workplace, where the rights of employees are upheld and where their dignity is affirmed, free of intimidation, discrimination or coercion of any kind.**”

“**Over the last sixteen years, the company has resolved all its contract negotiations throughout the world without conflict**” Tom Albanese, in a letter sent to a British MP on allegations about Rio Tinto’s labour relations conduct.

### FICTION 3 | ON HUMAN RIGHTS.

Rio Tinto professes to “**...set out to build enduring relationships with our neighbours that demonstrate mutual respect, active partnership, and long term commitment.**”

### FICTION 4 | ON ENVIRONMENT STEWARDSHIP

Rio Tinto maintains that “**excellence in environmental performance and product stewardship is essential to our business success... Wherever possible we prevent, or else minimise, reduce and remedy the disturbance of the environment.**”

## THE FACTS SPEAK DIFFERENTLY

### FACT 1 | ON SUSTAINABLE DEVELOPMENT AND THE SOCIAL LICENCE TO OPERATE

Rio Tinto has been described by the **London Mining Network** as follows, “**From Papua New Guinea to Namibia, from the Upper Peninsula of Michigan in the U.S. to Madagascar, and from Cameroon to Indonesia, Rio Tinto has a long and shameful record [across all human development indicators – labour, social, economic, and environmental]**”

### FACT 2 | ON LABOUR RELATIONS

**Former Australian Prime Minister Bob Hawke** once stated, “**What runs through as a common thread is [Rio Tinto’s] philosophy that they want to see the trade unions out of their operations**” (*Corporate Watch*). Accordingly, Rio Tinto has consistently maintained a strategy that involves exploitative labour practices, exposing the fictitious lie about its labour relations. In response to these lies and motivated by the lived experience of its members across the world, the International Federation of Chemical, Energy, Mine and General Workers Union (ICEM), now IndustriALL Global Union, moved to form the Rio Tinto Global Network to confront the Rio Tinto’s labour practices.

The Global Network was formed in order to challenge the company’s labour-rights violations and union-busting activities and human rights abuses, at mines in various parts of the world. Among the charges were accusations of discrimination against HIV-positive workers in Zimbabwe, who were fired because of their status.

Rio Tinto, in general and in practice, prefers to avoid negotiations with mineworkers’ unions and prefers to find solutions with the workers themselves instead of having a third party involved.

Rio Tinto’s conduct at the Rössing Uranium Mine has been deplorable. The London Mining Network cites the United Nations Council for Namibia, as describing in the 1970s the conditions under which uranium was being mined as being “**...virtual slave labour under brutal conditions. Some of these conditions, continued to as recently as 2000 where black workers were still paid lower wages than their white counterparts**”.



**The Company is also accused of maintaining a well-armed “private army” to handle labour or civil unrest at the mine and that civilians were killed by the military, assisted by the mine’s security forces.**

### **FACT 3 | ON HUMAN RIGHTS**

Human rights violations are legendary within Rio Tinto.

Thousands of local people in different countries in Africa have been displaced by the Rio Tinto’s mine development and many have neither received adequate compensation or compensation at all for their customary land rights. Communities have lost access to the food, firewood and indigenous medicines that they relied on from, which has affected both their livelihoods and their local culture and customs. Grave sites have been destroyed in the construction of mine’s.

Occupational Safety and Health is a human rights issue. Workers have died on Rio Tinto operations, sixteen by the last count in the last financial year by Rio Tinto’s own admission. Already, Rössing Mine has reported three fatalities in Q1 of 2012.

### **FACT 4 | ON ENVIRONMENT STEWARDSHIP**

Rio Tinto has negatively affected the environment adjacent to most of its operations in Africa, mainly because most African states have underdeveloped and weak governance and institutions.

The London Mining Network has reported on a recent investigation by two Dutch organizations on the nature and impacts of the uranium industry in South Africa, Namibia and the Central African Republic, describing how multinational uranium mining companies are generally not held accountable for their social and environmental performance at African operations, and how governments and populations are struggling with a lack of knowledge and means to exert influence over companies and to address irresponsible corporate behaviour.

The investigation, by SOMO and WISE, reports on how Namibian NGOs most familiar with Rio Tinto’s Rössing Mining operation have heard about pollution complaints from communities.

South Africa’s Rio Tinto Palabora operation has contaminated the bio diversity of the Kruger National Park where fauna and flower has been affected and how some of the parks games’ sperm and reproduction have been affected.



Workers in Mozambique.

## Rio Tinto's (un) sustainable footprint in Africa

In Africa, a litany of labour, community, social, environmental and governance problems pervade Rio Operations. Even where Rio Tinto operates with some semblance of decency, as in South Africa, the aforementioned problems notwithstanding, it is largely because Rio Tinto cannot get away with wholesale plunder because of the legislative and regulatory safeguards and the power and influence of the trade unions and civil society broadly.

### EXAMPLES OF COUNTRY EXPERIENCES

#### **SOUTH AFRICA:**

Rio Tinto has a deplorable history and consciously took advantage of the political climate during Apartheid, as it did in Namibia and elsewhere across the world, where repressive regimes reigned. Consistent with the profit motive at all costs, Rio Tinto continued to underpay its black workers compared to their white counterparts.

#### **NAMIBIA:**

Similarly, in Namibia, Rio Tinto took advantage of the political climate to visit upon its black workers discriminatory low wages and appalling working and living conditions “akin to slavery”.

#### **QMM MINE, FORT-DAUPHIN, MADAGASCAR:**

Rio Tinto operates an ilmenite mine on the east coast of the island. The entity on the ground, QIT Madagascar Minerals S.A. is a joint venture between Rio Tinto’s wholly owned Canadian subsidiary QIT Fer et Titane (80%) and the government of Madagascar (20%). The project, which began construction in 2006, has received funding from the World Bank and infrastructure support from the government, including a new port. (The World Bank contributed \$35 million to the port and QMM \$110 million). The mine reportedly contains at least 75 million tons of ilmenite deposits, found in mineral sands; it could be operational for up to 40 years.

Thousands of local people reportedly were displaced by the mine development and many received either inadequate compensation or no compensation at all for their customary land rights. Local people report that Rio Tinto has not hired as many workers from among the local population as it promised, depriving them of jobs and income they desperately need. In addition, the influx of workers from elsewhere has increased demand for food and housing, driving prices up beyond what local residents can afford.

#### **RIO TINTO, VALE, RIVERSDALE COAL, MOZAMBIQUE:**

Rio Tinto says its Riversdale coal development in central Mozambique will enhance the economy of the East African country for the next 50 years. “In Mozambique, the Riversdale acquisition, renamed Rio Tinto Coal Mozambique, provides an opportunity for more than 50 years of sustainable growth, with Benga Stage One on track to be commissioned by year-end,” Rio Tinto said in a statement in September 2011. It hailed Rio Tinto Coal Mozambique as a world-class quality project. Rio Tinto had acquired the project in August for about \$4 billion.

However in February 2012, the independent NGO Southern Africa Resource Watch, says Rio Tinto and its partner Vale are moving villagers to poor land far from jobs to make way for coal projects in central Mozambique. Local entrepreneurs are also being sidelined, says the organization, which monitors the impact of mining across the region.

Dr Claude Kabemba and Camilo Nhancale found some key failings of the companies’ deeply problematic resettlement programme, including:

- **Dividing the original communities by resettling workers close to the mine and dumping all the other people over 40km away and far from the main road. “The impression this model gives,” says the report, “is that uneducated and unemployed members of a community can be dumped anywhere...”**
- **Moving families to the new sites even though construction work had not been completed and basic services such as water and electricity were not in place. In Mualadzi, people were resettled before the promised schools or clinic had been built;**
- **Constructing houses that are already cracking just a few months later;**
- **Not providing the promised paved roads;**
- **Providing insufficient land for subsistence farming in an area where the soils are not particularly fertile or productive and where the same land is also sometimes claimed by other communities; and**
- **Not consulting widely enough with the affected people, who claim to have had very little knowledge about the resettlement program.**

The researchers studied resettlement efforts by Rio Tinto and Vale since they began mining in Mozambique’s Tete province.

The same week the report was released, hundreds of protesters, enraged at the way they have been resettled, blocked the railway line that transports coal from the massive new mines in Tete Province to the coast. They demanded that the companies fulfill their obligations to the thousands of people who had been moved from their lands to make way for the mines.

### **LOM-PANGER DAM, CAMEROON:**

In the West African nation of Cameroon, Rio Tinto Alcan is working with the government to accelerate the construction of the huge Lom-Pangar Dam, a project that reportedly will displace an estimated 28,000 people. The government apparently is backing the dam because the country is in desperate need of new energy supplies and heavily dependent on hydroelectric power. Rio Tinto Alcan, the company's aluminum group, wants the power for a new smelter project; Rio Tinto Alcan already partners with the government in Alucam, an aluminum facility.

The Bank Information Center, an NGO which partners with civil society in developing and transition countries to influence the World Bank and other international financial institutions, says the dam would have "significant environmental and social impacts," including "flooding over 30,000 hectares of tropical hardwood forest, threatening the Deng Deng reserve and its biodiversity, and submerging a portion of the Chad-Cameroon oil pipeline."

In addition, the BIC noted that the dam project "appears to respond to the energy demands of the expanding aluminum sector rather than the energy needs of the majority of the country's population lacking access to electricity." Reportedly the Alucam smelter already consumes about half of Cameroon's electricity and wants to more than double production while receiving favourable electricity rates far below what residential users pay.

According to the World Bank, the draft Environmental Assessment for the dam "states that the project will have significant environmental impact, particularly on natural habitats and physical cultural heritage, as well as health impacts (spread of malaria and other diseases). There also could be short-term adverse economic impact on local activities (agriculture, fishing, tourism, forestry and artisanal commerce."

### **RÖSSING URANIUM MINE, NAMIBIA:**

The Namib Desert in Namibia is home to the Rössing Uranium Ltd. mine, one of the world's largest open-pit uranium mines. Rio Tinto owns about 69% of the mine, which produced more than 9 million pounds of uranium in 2009 and is expected to remain in operation until at least 2023.

In 1970 the company received a licence to mine uranium at Rössing, but the licence apparently was illegal because it was given by the then-Apartheid regime in South Africa, an investor in the mine and at the time, illegally occupying Namibia. Rio Tinto allegedly mined at Rössing in defiance of the United Nations and findings of the International Court of Justice.

Iran, which has had an ownership stake (15%) in the mine since it opened in 1976, is another controversial investor in the mine. The U.S. and other countries have expressed concern that Namibia may provide Iran with uranium for its nuclear program.

Rio Tinto's labour rights record at the Rössing mine has been abysmal. According to the United Nations Council for Namibia, in the 1970s uranium was being mined "by virtual slave labour under brutal conditions".

In 1979 miners went on strike after the introduction of pay awards that saw white employees receive *12 times* that of black workers, an action that was broken up by police violence involving dogs and tear gas. Rössing management refused to recognize an independent workers union until 1987.

In 1989, a newspaper investigation found over 90% of black workers' earnings in the company's lowest wage bracket, which did not constitute a living wage. As recently as 2000 the company reportedly continued to discriminate against black workers, paying them much lower wages than white miners. Most recently, workers at Rössing walked out in a series of wildcat strikes in 2008. The company also reportedly maintains a well-armed "private army" to handle labour or civil unrest at the mine. Civilians have been killed by the military, assisted by the mine's security forces.

Reports show that the Rössing workforce has suffered malignant diseases at higher rates than the general population and is at a much higher risk of ill-health and cancer because of past radiation exposures. Former workers at the mine and family members have pursued legal remedies for serious illnesses suffered related to their work at the mine, which they allege was caused by exposure to uranium and silica dust – both well-known health hazards if inhaled, of course. According to one former miner, workers were not offered facemasks to prevent inhalation nor did they ever receive information about health hazards at the operation.

Environmental concerns at the Rössing facility also are abundant. The mine produces 20 million tons of crushed rock annually; it is sulphuric-acid-soaked and slightly radioactive. In addition, the plant consumes millions of cubic metres of fresh water annually – in a region where rainfall totals only about 3 centimetres per year.

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