

**Rio Tinto Coal Australia**

## Sustainable development report

2010

This document features content for the 2010 sustainable development report. The content is published on the external RTCA and Coal & Allied websites ('sustainable development' section). An edited summary printed version is also available.



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## About our sustainable development report

The 'sustainable development' sections of our websites talks about Rio Tinto Coal Australia's (RTCA) approach to sustainable development and details our performance during 2010 across our New South Wales and Queensland operations.

We structure our sustainable development reporting on our business strategy which features the following key areas of health, safety and environment, people, communities and government, growth and innovation, customers and markets, operations and financial performance.

On our RTCA website, you will read about our sustainable development performance, challenges and successes we experienced during the year, and detailed reports for each of our Queensland mine sites - Blair Athol, Clermont, Kestrel and Hail Creek. Site reports for our New South Wales operations are available from the Coal & Allied website.

A four-page summary document of the report is also available on both websites, as are previous year's reports.

Information contained in this report is provided on a consolidated basis and joint ventures are reported on a 100 per cent managed basis unless otherwise specified.

## **Feedback**

If you have any feedback or questions on our 2010 performance or sustainable development report, we want to hear from you. Let us know how we could improve our reporting, which sections of the report you found most useful, what section was least useful and what information you would like us to include in the future.

### By email

Please send your feedback with your contact details by email to [info@rtca.riotinto.com.au](mailto:info@rtca.riotinto.com.au)

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## Managing director's message

We want to create genuine, long term benefits from the way we operate.

I am pleased to present Rio Tinto Coal Australia's sustainable development report for 2010.

Our vision is to lead the coal mining sector by being the best at what we do. To meet this challenge, we strive to act responsibly in all areas of our business and to maximise the long term value of our resources and relationships.

We have some major successes to celebrate from 2010. It was a year in which we achieved our best ever safety performance and avoided 25,000 tonnes worth of greenhouse gas emissions through energy management programmes. We laid a significant marker as we strive to increase the diversity of our workforce, establishing targets for female and Indigenous employment.

While our overall number of environmental incidents has dropped, we are committed to working harder to manage our impacts on the environment and our neighbours.

Promoting sustainable practice makes good business sense, and ensures we make a valued contribution as a member of the community. We are focused on balancing social, environmental and economic considerations in our operations and decision making. In doing this, we aim to create genuine long term benefits from the way we operate, for our business and the communities around us. Each of our employees has the responsibility to help us to improve the way we work every day by asking: is it the safest way to do something? Is it the most environmentally-friendly way to do something? Is it the healthiest way to do something? Is this the most cost efficient way to do something? Is it the most energy efficient way to do something?

We are always interested in your feedback, and if you have any comments or questions, please contact us.

**Bill Champion**

**Managing director**

## Our approach

Our immediate business plans may change but our commitment to sustainable development does not.

Mining and producing coal can make a contribution to present and future generations through the supply of affordable and reliable energy, the provision of employment opportunities and even the rehabilitation of previously degraded land once mining ceases. However if not managed, our activities have the ability to detract from sustainable development, such as the use of water and land, amenity impacts on local communities and production of greenhouse gas emissions from our operations and the use of our coal.

For Rio Tinto Coal Australia, sustainable development is about managing risk and creating value - to act responsibly, to get the most value from what we do and leave things in the best possible way once we are finished mining.

In practice, this means:

- Understanding stakeholder expectations, balancing conflicting expectations and changing behaviours appropriately
- Working with customers and suppliers to maximise the use of our products and minimise adverse effects
- Engaging with people inside and outside the business
- Managing operations responsibly, to maximise resource use and minimise social or environmental effects
- Having open and accountable governance frameworks
- Delivering year-on-year improvement.

Our sustainable development contribution will be maximised if it is integrated into everything we do, from high level business planning through to everyday tasks. As a result, our business strategic map also forms our sustainable development framework.

Often we practice taking a sustainable development approach without thinking about it too much. We promote business improvement ideas and knowledge sharing to get the best value and efficiency from our operations and product. Our "Goal is Zero" campaign is a constant reminder about our ultimate aim to provide a workplace that is free from injury and illness.

Our environmental management system is built on responsible use of water, energy and raw materials and we aim to minimise the release of pollutants and waste where we can. We also work hard on building good relationships with our neighbouring communities, so that we can continue to operate - now, and into the future.

By doing these things we aim to get the best out of our business and maximise our long term value.

We also recognise that sustainable development is not something a single organisation can achieve on its own, nor is it a single project that can be completed and ticked off as it's finished.

It is about the way we continuously work, within our business and in our interactions with others, to meet the multiple objectives of social wellbeing, environmental stewardship and economic prosperity, throughout the life of a mine and beyond.

# Targets

## We set targets and make plans and decisions to meet our targets.

Each year, our business undertakes a planning cycle to determine our activities and priorities for the ensuing five years.

Our sustainable development commitment asks us to consider the health and safety of our people, strive for operational excellence, maintain a strong commitment to our people and neighbours, manage our interaction with the environment well, ensure we are a preferred supplier in target markets and maximise value for our shareholders.

Our targets reflect our desire to be a leader in these areas. To ensure sustainable development thinking is part of everything we do, these targets are documented in our business strategic map.

During 2010, our strategic map was updated to better reflect our business priorities. As a result, there is a minor change of strategic areas from 2010 to 2011.

### 2010 sustainable development targets

Strategic area	Indicator	Target	2010 result	Comment
Health and safety	All injury frequency rate	5% reduction on 2009 rate	✓ target achieved	
	Occupational illnesses	Zero	✓ target achieved	
People commitment	Employee turnover rate	Less than 20%	✓ target achieved	
Environment and communities	Fresh water consumption	399 litres per tonne of product*	✗ Not achieved	433 litres per tonne of product achieved
	Greenhouse gas emissions	1.46 kg CO <sub>2</sub> -e per tonne of equivalent material moved (excluding fugitive emissions)	✗ Not achieved	1.48 kg CO <sub>2</sub> -e per tonne of equivalent material moved (excluding fugitive emissions) achieved
	Climate change	Develop business processes to meet statutory greenhouse gas reporting requirements	✓ target achieved	
	Cultural heritage	Maintain a three year	✓ target	

		buffer aligned with 2010 mine plans	achieved	
Operational excellence	Business improvement value generation	A\$175 million	✓ target achieved	
Financial strength	Infrastructure access	Rail and port requirements secured	✓ target achieved	

\*In our 2009 sustainable development report, we reported a freshwater use target of 290 litres per tonne of product. Subsequent to the report's publication, we reviewed and confirmed a revised freshwater use target of 399 litres per tonne of product. Our freshwater use figures fluctuated significantly during 2009 and 2010 due to heavy rainfall received across a number of our mine operations. Freshwater is defined as 'used' once it enters our operations and is either used or intended to be used for coal mining and processing, including the collection, storage and management of rainfall, or water released from site that meets the quality definitions of freshwater.

### 2011 sustainable development targets

Strategic area	Indicator	2011 target
Health, safety and environment	All injury frequency rate	5% reduction on 2010 rate (0.55)
	Occupational illness	Zero
	Noise exposure	2013 target of 16% noise reduction from 2008 base line
	Fresh water consumption	382 litres per tonne of product
	Greenhouse gas emissions	1.75 tonnes CO <sub>2</sub> -e per tonne of equivalent material moved (excluding fugitive emissions)
People	Diversity	5% Indigenous employment by 2012 20% female employment by 2012
	Attraction and retention	Less than 15% professional staff turnover
Communities and government	Economic development	By 2013 develop and report against locally appropriate social performance indicators that demonstrate a positive contribution to the economic development of the communities and regions where we work

# Governance

## Integrity delivered through good governance

Successful operation of our business requires good governance, whether it be complying with legal requirements or engaging with our stakeholders to understand their expectations in relation to our business.

Our contribution to sustainable development is formalised in a corporate governance framework that is underpinned by Rio Tinto's statement of business practice, *The way we work*.

*The way we work* summarises Rio Tinto's principles and policies for all employees. It helps ensure that our people reflect in their daily work the high standards and values we share, including accountability, fairness, integrity and openness.

For Rio Tinto Coal Australia, governance also means:

- Recognising that compliance with legal requirements is not always enough
- Integrating our values and sustainable development concepts into business planning and reporting processes
- Publicly reporting our activities and performance
- Being accountable for the process of risk management, internal audits and controls
- Including external verification in our business processes.

# Relationships

## Creating sustainable value from our relationships

We aim to develop long term, mutually beneficial robust relationships with all communities of interest.

### **Communities**

Each of our operations is part of a local community, including Indigenous and non-Indigenous people. We aim to develop robust relationships and make a long term sustainable contribution as a member of that community. This includes our near neighbours - those people who live close to our operations.

### **Customers**

The majority of our customers are in Asia. We work with them to make sure we meet their product needs and environmental obligations.

### **Employees and contractors**

We directly employ nearly 4,000 people across Queensland and New South Wales and more than 2,000 contractors. Our employees and contractors mostly live in towns neighbouring our operations.

### **Government**

We regularly engage with a wide range of Government and opposition members, and officials at a local, State and Federal level. This engagement includes formal submissions, face to face meetings, briefings, hosted tours of our operations and formal correspondence. This engagement ensures we understand government needs and requirements. We also interact with governments in their capacity as consent authorities for our activities.

### **Investors**

Rio Tinto Coal Australia is 100 per cent owned by Rio Tinto. In New South Wales, Rio Tinto Coal Australia manages Coal & Allied's operations. Coal & Allied is a publicly listed company on the Australian Stock Exchange. Rio Tinto is the major shareholder of Coal & Allied owning 75.7 per cent of the issued shares.

### **Media**

We keep the media up to date with recent announcements, developments and activities. A web based media centre contains media releases, reports and publications.

**Partners**

Our community development activities are often more successful when two or more other organisations bring different resources and skills together to deliver good outcomes. We have a range of partnerships with not for profit organisations and government to deliver a range of programmes in neighbouring communities.

**Suppliers**

We source a range of goods, materials and services to sustain our operations and procurement can make an important contribution to local economic development. Rio Tinto Procurement coordinates these activities for Rio Tinto Coal Australia.

**Other organisations**

We are represented on a variety of government and industry committees, taskforces and working parties. We also work closely with industry and research groups such as the Minerals Council of Australia, the Queensland Resources Council, the NSW Minerals Council, the Australian Coal Association, The University of Queensland's Sustainable Minerals Institute, Coal Industry Advisory Board and the Australian Coal Association Research Programme.

# Health and safety

## Health and safety is a core value and our values do not change

### **Our approach**

Rio Tinto Coal Australia's goal is zero injuries and illness. We work hard to maintain an injury and illness free workplace where everyone - employees and contractors- go home safe and healthy each day.

Our Health, Safety, Environment and Quality (HSEQ) management system provides a framework for our health, safety and environment standards and quality reporting requirements. This group wide system ensures all Rio Tinto operations uniformly work within internationally recognised health, safety and environment frameworks, such as ISO14001, Australian Standard 4801 and meet various certifications, as well as internal and external reporting requirements.

The HSEQ system outlines an approach for sound hazard and risk identification, evaluation and management, ongoing verification and review of performance.

Mandatory safety standards cover our principal safety hazards:

- Isolation
- Electrical safety
- Vehicles and driving
- Working at heights
- Confined spaces
- Cranes and lifting equipment
- Aviation
- Underground safety.

Ensuring all employees and contractors work in a healthy and safe environment is achieved through the implementation of systems and standards by dedicated health and safety professionals at our sites.

Our mandatory occupational health standards apply to all employees and contractors and are regularly audited, providing the opportunity for continual improvement in our performance. Health standards cover the following key areas:

- Particulate and gas/vapour exposures
- Hearing conservation
- Manual handling and vibration
- Hazardous substances
- Thermal stress
- Fitness for work
- Travel and remote site health
- Radiation
- Legionnaires disease.

Our leadership team is accountable for our performance against the health and safety standards. They are supported by competent and trained personnel at each site whose responsibilities include implementing health systems and monitoring workplace conditions to control exposure to health hazards.

Health and safety advisers manage risk registers, conduct personal monitoring for dust, noise, thermal stress and audiometric testing, as well as educate and inform operational teams of health findings and initiatives.

The implementation and business performance of each site against the health and safety standards is checked through an independent audit process.

We employ a range of tools and programmes to ensure that health and safety remains foremost in the minds of employees and leaders. These include:

- Safety Leadership Development Programme
- TapRoot investigations of all significant incidents
- Pre task risk assessments including 'Take5' quick personal safety risk assessment and job hazard analyses (JHAs)
- Safety interactions
- Managing director's 'Golden Rules'.

## 1. Health performance

*More than 600 employees participated in our voluntary health and wellbeing programme*

Health and wellbeing was an area of significant focus for Rio Tinto Coal Australia in 2010. Considerable effort was placed on embedding the Rio Tinto health standards and implementing the health and wellness programme launched in 2008 - *Achieve Health*.

The voluntary programme is supported by an external health service provider and is closely linked to Rio Tinto's health targets.

The programme's objectives are to raise awareness, establish resources, train specialists, encourage enrolment and establish a baseline database in the first five years.

*Achieve Health* delivers programmes such as skin cancer checks, health assessments, personal fitness and wellbeing plans for employees. Five sites are currently participating in the programme – Bengalla, Mount Thorley Warkworth, Kestrel Mine, Hail Creek Mine and Brisbane office.

There were no occupational illnesses recorded during 2010.

Plans for 2010	Result
Health information included in Safety Leadership Development Programme (SLDP) modules and new modules made available online for ongoing training.	Health and hygiene modules developed. These modules will be made available online in 2011.
Four <i>Achieve Health</i> programme campaigns conducted based on identified health risk areas.	The programme was introduced at two new operations - Hail Creek Mine and Mount Thorley Warkworth.
New initiative targeting a reduction in noise exposure in the workplace launched.	On track for completion by the 2013 target.
Comprehensive ergonomics programme developed.	Completed.

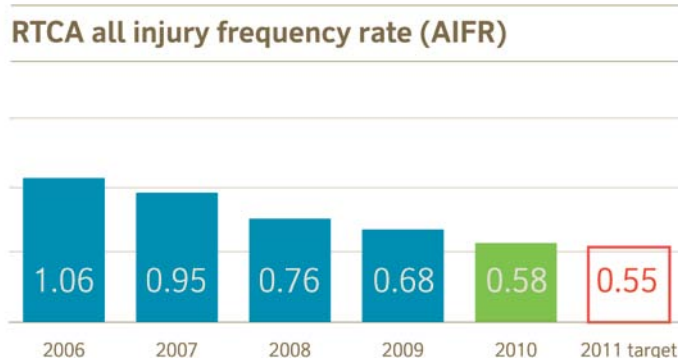
Plans for 2011
Rio Tinto <i>Achieve Health</i> programme continuing to be implemented and maintained across the six operational sites.
Continued implementation of noise reduction strategy action plan.
Implementation of Medgate™ to consistently manage hygiene information across RTCA.
Preventative strategies for ergonomic / manual handling issues identified in 2010 to be tested in 2011, with full implementation by 2012.

## 2. Safety performance

*A good safety record, but there's more to do to make it zero*

Safety performance is measured by recordable injuries. Recordable injuries include those that result in one or more days away from work (lost time injuries) and injuries where an employee or contractor cannot perform all or any part of their normal shift (restricted work day injuries). These combine to form a measure known as lost time injuries (LTIs). The lost time injury frequency rate (LTIFR) is the number of LTIs per 200,000 hours worked.

The all injury frequency rate (AIFR) is the total number of injuries (as outlined above) plus any medical treatment cases per 200,000 hours worked. Our all injury frequency rate has been steadily trending downwards in recent years and we are pleased that during 2010 the number of overall injuries and medical treatments decreased by more than 15 per cent. Our 2010 AIFR was 0.58 compared to 0.68 in 2009.



We also record first aid treatment cases, no matter how small they may seem. First aid cases are typically single treatments with subsequent observation or involve treatment for minor injuries only. In the event that a first aid case needs subsequent treatment, it becomes a medical treatment case which, combined with lost time injuries and restricted work day injuries, is reported as our all injury frequency rate.

### Number of injuries by category

Category		Number of injuries
Lost time injuries	Lost day injuries	5
	Restricted work day injuries	11
Medical treatment cases		18
First aid cases		378

While we acknowledge the great efforts of our people in achieving a favourable health and safety performance compared with the Australian national industry average of 1.60<sup>1</sup>, our goal is to eliminate all injury and illness from our workplace and this remains an ongoing priority.

<sup>1</sup> The total recordable injury frequency rate (TRIFR) for the Australian mining industry was 7.98 per million hours in 2009. This equates to 1.60 per 200,000 hours. Results for 2010 are not yet available. (International Council for Mining and Metals)

During 2010, audits against the Health, Safety, Environment and Quality Management System were conducted at Bengalla, Hail Creek Mine, Mount Thorley Warkworth and Brisbane office.

Two health and safety related commendations were awarded at Bengalla for:

- The use of the real-time noise monitoring system for proactive identification of noise impacts on-site
- A fatigue management plan including a detailed risk assessment, workforce engagement and implementation of mitigating controls.

There were no major non-conformances at Bengalla.

A commendation was awarded at Mount Thorley Warkworth for the development and use of a database to create more accurate and detailed medical reports which will inform continuous improvement at site. This approach will be shared with other operations.

Five major non-conformances were observed at Mount Thorley Warkworth:

- Improvements required for the prevention and management of hydrocarbon spills around vehicle service bays and coal preparation plant
- Improvements required ensuring compliance with our standards for hazardous substances, such as use of risk assessments, training in the safe use and handling of chemicals, improvements in the use and storage of material safety data sheets, and improved chemical labelling
- Improvements required to bolster appropriate signage at area entry points, for example restricted area signage and confined spaces signage
- Unsafe lifting practices were observed during dragline maintenance. A safe work procedure for this activity was reviewed, updated and communicated to relevant maintenance crews
- Improvements required for the tagging of chains, slings and shackles. Improvements include a review of accountabilities; designated out of service or out of date collection points for tagged equipment; communications about collection points and tag colour coding system; safety interactions focussed on lifting equipment.

Hail Creek Mine and Brisbane office recorded no major non conformances or commendations.

Preventing hand injuries was an area of focus in 2010 after it was observed that these types of injuries made up about half of the actual injuries which occurred in the business during 2009. In 2010 there were 78 hand injuries compared with 93 in 2009. This figure incorporates all injuries including first aid cases.

Another area of focus was contractor safety. Contractors account for between 30 and 40 per cent of exposure hours at Rio Tinto Coal Australia, and have historically experienced a higher proportion of incidents and injuries compared with employees.

Exposure hours are the total number of hours worked at a place of employment, performing relevant duties.

During 2010 an upgraded Contactor Access Control System was introduced in NSW, together with an improved pre-qualification process.

Pre-qualification ensures that contractors wishing to work with Rio Tinto Coal Australia have completed a high standard of health and safety training and are competent to meet Rio Tinto health and safety standards. Only pre-qualified contractors are allowed access to Rio Tinto Coal Australia operations. Following the introduction of this process, a review of current engaged contractors was undertaken during the year, beginning at our New South Wales operations.

The improved pre-qualification process includes a mandatory audit of the use of the contractor health, safety and environment management system and contractors will also participate in safety leadership workshops.

Vehicles and driving-related incidents was another area of focus in 2010 following an increase in the number of vehicle incidents during 2009. Vehicle and driving incidents accounted for about 40 per cent of significant potential incidents.

In 2010, Kestrel Mine won the People's Choice Award at the Queensland Mining Industry Health and Safety Conference, while Hail Creek Mine and Blair Athol Mine received the Rio Tinto Chief Executive Safety Award and Most Improved Safety Performance Award respectively.

Bengalla took first place at the 2010 NSW Mines Rescue open cut competition, while Mount Thorley Warkworth finished second place.

<b>Plans for 2010</b>	<b>Result</b>
Continue focus on vehicle interactions and reducing hand injuries.	Achieved, including introduction of a new metric to track performance and an in-vehicle monitoring system piloted at Hunter Valley Operations.
Continued focus on 'peer to peer' safety interactions (safety behaviour observation tool).	Achieved.
Safety strategy workshops with contractors.	Achieved.

<b>Plans for 2011</b>
Implementation of in vehicle monitoring systems at RTCA, including vehicle incident frequency rate to ensure continued focus on improvement and HSE interactions to reflect focus on driving behaviour.
Continue contractor management improvements, including pre-qualification requirements; continue contractor management training.
Complete a RTCA level Semi Quantitative Risk Assessment to analyse safety critical risks.

# People

## Working to increase employment diversity

### **Our approach**

As a major employer, we recognise the importance of equal employment opportunity, the benefits of a diverse and motivated workforce, fair and valued treatment of employees and contractors, and the value in attracting, retaining and developing a capable workforce.

We recruit based on skills and experience and are committed to employment diversity and a workplace where the rights of employees are upheld and where their dignity is affirmed, free of intimidation, discrimination or coercion of any kind. Our recruitment strategy supports local employment wherever possible. We have identified four key aspects of recruiting and retaining high potential people:

- Focus on health and safety
- Great workplace relationships
- Benefits for work and lifestyle
- Career development.

Employees are guided by the Rio Tinto statement of business practices, *The way we work*. It ensures everyone reflects in their daily work the high standards and values of Rio Tinto, including accountability, fairness, integrity and openness.

Our employment arrangements across the business include a mixture of collective employment agreements and individual arrangements. We recognise everyone's right to choose whether or not they wish to join a union.

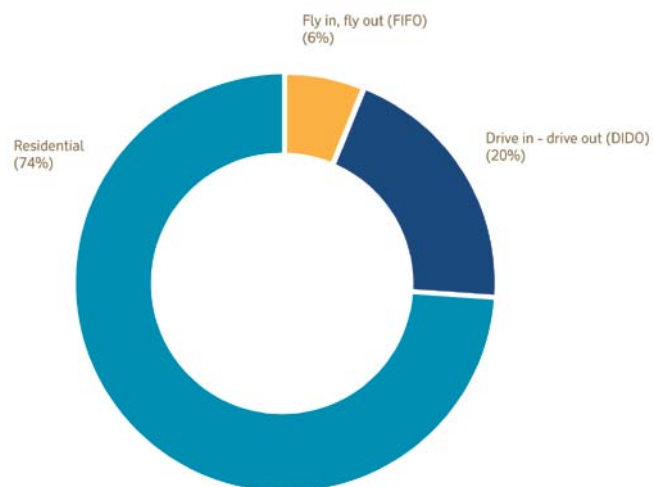
## 2010 employment summary

Employees	Queensland	NSW	Total
Male	1570	1881	3451
Female	338	162	500
<b>Total</b>	<b>1908</b>	<b>2043</b>	<b>3951</b>

People snapshot:		
Contractors		<b>2083</b>
Indigenous employees	Direct	<b>91</b>
	Contractors	<b>9</b>
	Apprentices and trainees	<b>21</b>
Apprentices and trainees*		<b>79</b>
Graduates and vacation students		<b>82</b>

\* In addition to this, some of our contractors also have trainees based on our sites.

### Employees : breakdown of FIFO/DIDO and residential



### 3. Diversity

*Renewed focus on employment diversity will help us meet our growth plans.*

Our business is planning to grow considerably. We anticipate we will recruit in excess of 1000 new and replacement roles in 2011. By sourcing employees from a wide range of backgrounds, we benefit from a range of experience, insight and skill.

Our diversity strategy is currently focussed on increasing female and Indigenous participation in our workforce. We hope to see women form 20 per cent of our workforce by 2012, while our Indigenous employment strategy outlines a number of ways in which we seek to achieve five per cent Indigenous employment at Rio Tinto Coal Australia by 2012.

We have a number of strategies in place and planned to help meet these targets.

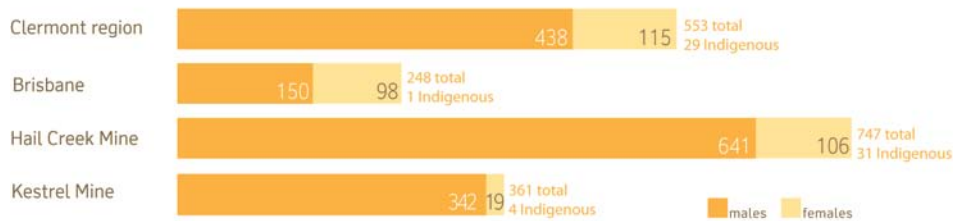
Programmes in place to specifically encourage women to join our business include flexible working arrangements such as job sharing and shift rosters within school hours. Improvements to our talent management system have been well received by leaders and team members and will enable more targeted career management strategies for women.

The overall proportion of women in our workforce is 12.5 per cent compared with 12 per cent in 2009, largely as a result of recruitment into senior management, graduate and operator roles.

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#### Queensland employee diversity

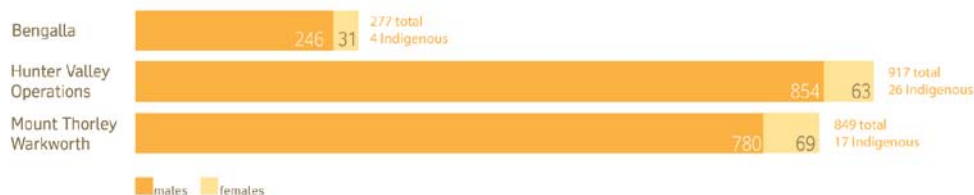
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#### New South Wales employee diversity

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Indigenous people currently represent about three per cent of our workforce. Our target of five per cent Indigenous employment is greater than the regional demographic and reflects anticipated Indigenous population growth.

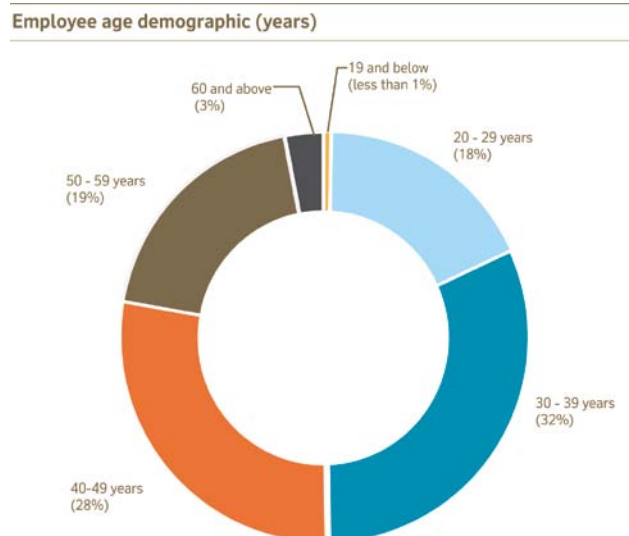
During 2010, our leadership team approved new measures to increase Indigenous participation in our workforce, including direct employment strategies, working with suppliers and contractors to employ Indigenous people, and supporting the development of Indigenous owned enterprises to provide services to our operations.

Our operations have worked hard to increase diversity, but this will require concerted effort to move to the next level as our workforce grows.

Rio Tinto Coal Australia's 2010/2011 graduate intake placed more than 30 graduates across our operations and corporate office. The graduate programme features a range of development activities designed to prepare graduates for future leadership roles and to build their technical competency. More than 30 per cent of these roles are held by women.

The vacation student programme places students in their final years of university with us for 12 weeks to gain work experience over the university holidays. During 2010 the programme placed more than 50 students across our operations and corporate office. Forty per cent of these places were secured by female students. The vacation programme is a key recruiting pipeline for the graduate programme.

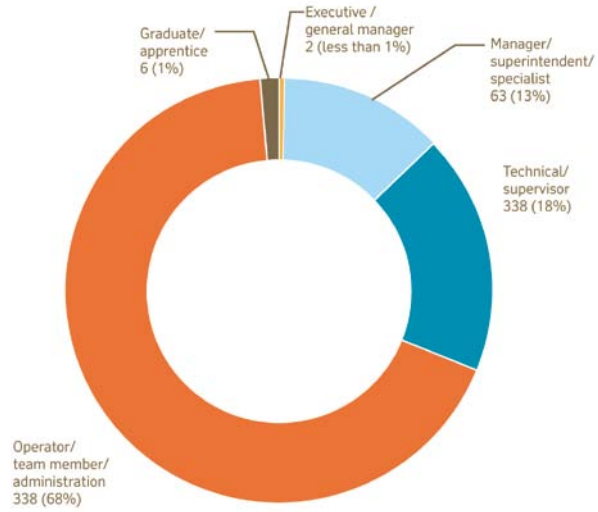
Each year, our community development funds provide university scholarships in a range of disciplines at tertiary institutions including the University of Newcastle and Central Queensland University. Applicants are chosen from areas neighbouring our operations. During 2010, we awarded 26 scholarships.



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### Female employees by role

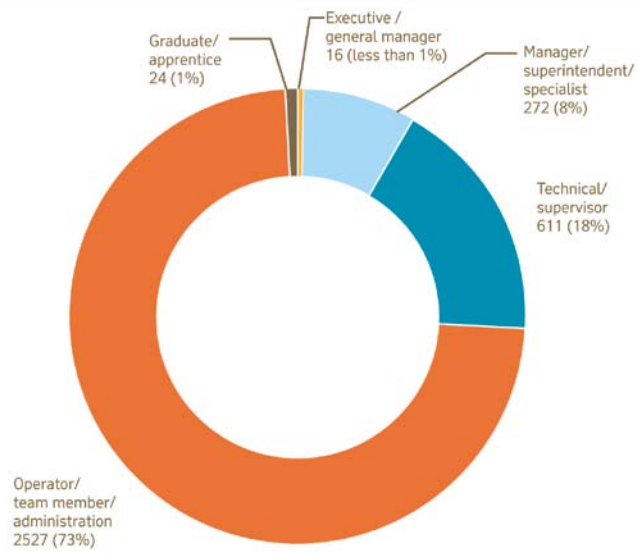
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### Male employees by role

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## 4. Attraction and retention

### *Competitive remuneration and benefits package for employees*

We anticipate we will recruit approximately 1000 new and replacement roles in 2011, so attracting and retaining capable employees is important.

Our employment turnover rate was 10.3 per cent. We experienced an increase in turnover of key professional roles during 2010. Reducing this turnover rate will be a focus in 2011.

Rio Tinto Coal Australia offers competitive remuneration packages supported by a range of complementary benefits for employees. These include provision of flexible working arrangements, subsidised private medical insurance, a safety net for medical expenses not covered by Medicare or private health insurance, subsidised gym membership, an incentive scheme linked to business performance, salary packaging, and a Rio Tinto share purchase scheme.

In 2010, Rio Tinto amended its parental leave scheme for employees based in Australia. Our business offers eligible parents up to 36 weeks paid leave to help employees balance work and family commitments. Previously primary caregivers received 18 weeks leave on full pay, with the option of extending their leave to 36 weeks at half pay.

A commitment to flexible work arrangements, suitable for employees and the business was acknowledged when our Hail Creek Mine was named the *Employer of Choice* at the 2010 Australian Mining Prospect Awards.

## 5. Professional development and training

*Opportunity to grow skills and competencies through ongoing training and development*

Employees participate in a performance management process. This annual cycle includes the establishment of performance expectations, discussion of development needs as well as regular review and feedback on performance with a direct link to salary review.

Development plans consider a variety of ways that employees can grow in their role, or prepare them for future roles. Development may take the form of on-the-job learning and experience, coaching or mentoring, or unstructured learning such as conferences and associations with professional bodies.

Common training platforms across our operations provide opportunities for employee skill development. Each site has systems and processes to deliver Rio Tinto Coal Australia training qualifications and courses, as well as training for role-based competencies.

To encourage lifelong learning and career development, employees are eligible for study assistance, including the reimbursement of fees. Study leave is also granted where appropriate.

Our cross-cultural awareness programme for employees and contractors provides greater understanding of locally appropriate Aboriginal culture and history, Rio Tinto's approach to Aboriginal engagement, the importance of cultural heritage and management, roles and responsibilities.

Compliance training for employees is compulsory and qualifications must be renewed every two years. The training consists of four mandatory units for all employees, as well as others that are role specific. The mandatory units include:

- Careful communication
- Electronic communication protocol
- Preventing workplace harassment
- *The way we work*, our statement of business practice.

Ninety one percent of required employees completed compliance training across these mandatory units. Role-specific units include:

- Data privacy standards
- Human rights guidance
- Business integrity guidance
- Antitrust and fraud.

Over 90 percent of required employees have completed the Rio Tinto Human Rights Guidance compliance unit in 2010.

Employees have the opportunity to further develop their skills and competencies through ongoing training and development. Programmes include the business leadership programme (BLP), operational leadership programme (OLP) and the front line leadership programme (FLP). Thirty-nine employees participated in FLP and five in OLP during 2010.

## 6. Employee engagement

*An environment where people can develop positive working relationships with colleagues*

Employees are encouraged to create and maintain good working relationships with their team, demonstrate the organisation's values through their own behaviour, and encourage open two-way communication.

Rio Tinto's core values of accountability, respect, teamwork and integrity are expressed through the principles and standards of conduct set out in *The way we work*. They define the way we manage the economic, social and environmental challenges of our operations and are important to fulfilling our commitment to operate in a responsible way.

Our Speak-Out programme provides employees and contractors with an independent and confidential means of reporting issues such as harassment, unfair treatment or unethical practice in the business.

An employee assistance programme is offered across our business and provides free, independent confidential counselling for employees and their immediate family on issues such as stress, anxiety, depression, interpersonal relationship issues, financial and legal counselling.

In June 2010 Rio Tinto conducted its second employee engagement survey to better understand what is important to our employees. More than 65 per cent of RTCA employees participated in the survey, taking time to comment on areas of corporate social responsibility, sustainable development, leader communication and business direction.

A whole of business action plan was finalised in response to the results of the survey in late 2010 and is complimented by localised, site specific actions at each operation to ensure relevance for employees. The plans will be implemented in 2011, and broadly include actions in the following areas:

- Renewed focus on developing effective leader and team member working relationships. This will include a review of leadership development programmes to monitor and improve their success
- A sustainable development employee engagement programme, providing opportunities for employees to learn about and participate in sustainable development activities in our business.

Another Rio Tinto wide employee survey will be conducted in 2011.

During 2010 we continued to implement our talent management system by introducing a forum for having career conversations amongst employees and their leaders. This provides greater transparency for leaders and employees participating in the annual performance review process.

Blair Athol Mine's *My Future Plan* programme continued as the mine reduced its production during 2010. The mine has a target closure date of 2016 and the *My Future Plan* programme was developed to help the business understand employee needs and manage change through to closure of the mine.

*My Future Plan* consists of a range of communication and consultation processes with employees to establish individual needs and wants regarding personal circumstances, career aspirations, and future roles available on-site and within Rio Tinto, and the possibility of further training to assist employees to gain new skills for future career options. The programme offers a \$5000 subsidy to each employee for training and initiatives that built their skill set for the future. During 2010 a Certificate III in Surface Coal Operations was offered to more than one hundred employees through this initiative. The training will enable employees to have transferable skills that are recognised within Rio Tinto and other mining operations.

# Environment

Our environmental management systems are certified to the international standard ISO 14001

## **Our approach**

Access to future resources such as land, water and skilled employees is directly linked to how well we manage environmental issues and work with local communities at our existing operations.

In 2010 our operations, including our newly opened Clermont Mine, maintained a certified Health, Safety, Environment and Quality (HSEQ) management system which also meets the international standard ISO 14001. ISO 14001 provides a framework for identifying risks, managing the environmental impact of our activities and products, and continuously improving our environmental performance through environmental improvement plans.

The system ensures all Rio Tinto operations uniformly work within a robust management framework and meet various certifications and internal and external reporting requirements. The HSEQ management system provides a systematic approach for sound hazard and risk identification, evaluation and management, ongoing verification and review of performance.

The system helps us manage the following key environmental focus areas:

- Air quality
- Acid rock drainage prediction and control
- Greenhouse gas emissions
- Hazardous materials and contamination control
- Noise and vibration control
- Water use and quality control
- Waste (mineral and non-mineral)
- Land use stewardship (including biodiversity)
- Product stewardship
- Closure.

Timely monitoring and corrective action ensures environmental management remains a key focus of the business.

We carry out regular internal and external auditing to assess environmental management performance and systems across our operations. In addition, our environmental management systems are regularly audited for certification purposes by an independent certifier.

## 7. Incidents

### *A new way to measure and report environmental incidents*

Environmental incidents are classified using a qualitative risk assessment process based on the maximum reasonable consequence and the likelihood of an incident occurring.

The risk assessment uses four classifications: low, moderate, high or critical. A definition of each classification is given below.

Risk rating	Definition
Low	Procedural non-compliance or incident with promptly reversible environmental impact
Moderate	Incidents with low environmental impact
High	Incidents of non-compliance or incidents with moderate environmental impact
Critical	Incidents with unconfined and significant environmental impact

### **2010 performance**

Our overall environmental incidents rate improved slightly in 2010. We reported 220 incidents compared with 252 in 2009.

There were no critical environmental incidents at our New South Wales or Queensland operations during 2010. There were 29 high ranked incidents, compared with 22 in 2009.

One environment-related Penalty Infringement Notice was issued by the New South Wales Department of Environment, Climate Change and Water for the release of an estimated 200 litres of diesel to Loders Creek. The release was the result of a leak from a pump on a dam at our Mount Thorley Warkworth operation. Measures were immediately taken to recover the leaked liquid, remediate the affected area and prevent a re-occurrence and a fine of \$1500 was issued.

In 2010 we developed a new measure of environmental performance using recordable incidents. Recordable incidents include low, medium, high and critical environmental incidents. The environmental incident frequency rate (EIFR) is the number of environmental incidents per 200,000 hours worked.

Our 2010 EIFR was 3.60 compared with 4.45 in 2009.

**RTCA environmental incidents and environmental incidents frequency rate (EIFR)**



Incidents with a high or critical risk rating at our New South Wales operations are reported as they occur and also annually to regulators via the Annual Return and the Annual Environmental Management Report which is lodged with government and Community Consultative Committee members. Similarly, incidents with a high or critical risk rating that may occur at our sites in Queensland are reported both as they occur and annually to regulators.

**Summary of 2010 high ranked incidents**

Incident type	Site	Description of incident	Response
Air	Mount Thorley Warkworth; Hunter Valley Operations	Three instances of dust exceedence and two instances of incomplete monitoring.	Regulator notified where relevant; investigations completed; monitoring regimes refined; other mitigating circumstances during exceedence were noted as bushfire and equipment failure.
Noise	Mount Thorley Warkworth; Hunter Valley Operations	Nine instances of noise limit exceedence.	Regulators notified; investigations completed; where relevant, operations were moved or changed and further monitoring was undertaken.
Blast	Hunter Valley Operations	An instance of blasting taking place ten minutes after daily deadline, three instances of blast fumes and one overpressure exceedence.	Regulator notified; investigations completed; changes made to operating procedures; re-training and communication of procedures to operators.

Water	Kestrel Mine	Water leak from a dam release valve.	Regulator notified; investigations completed; procedure communicated to operators.
	Hunter Valley Operations	Saline water discharge to local creek due to failure of dam level sensor.	Regulator notified; investigations completed; recalibration of sensor.
	Hunter Valley Operations	Water monitoring was not undertaken as per operating licence.	Regulator notified; investigations completed; monitoring locations signage reviewed; review of monitoring locations undertaken and updated.
	Mount Thorley Warkworth	Water overflow from dam onsite.	Regulator notified; investigations completed; temporary pump installed to reduce dam levels; new pump installed post incident; spillway operation improved.
	Blair Athol Mine	Stockpile dam overflowed during rain event due to sedimentation of dam.	Regulator notified; investigations completed; regulator investigated; operating procedures changed and communicated; dam volume restored; high level alarms installed; water management system changed and sediment traps installed.
Land	Hunter Valley Operations	Unauthorised disturbance of a heritage site.	Full investigation undertaken and mine ground disturbance procedures reviewed to mitigate the risk of such an unauthorised disturbance from reoccurring.
Hydrocarbon spill	Clermont Mine; Mount Thorley Warkworth	Three instances of hydrocarbon leaks from equipment and one instance of a release of diesel in to a local creek.	Regulator notified and fine issued in one instance (release to creek at Mount Thorley Warkworth). Measures were taken to recover the leaked liquid, remediate the affected area and prevent re-occurrence.

During 2010 the New South Wales Department of Planning reinforced its compliance activity with the appointment of new Hunter Compliance Officers in the Upper Hunter Valley. An inter-agency compliance audit was undertaken at Hunter Valley Operations by the Department of Environment and Climate Change, Department of Planning and Industry and Investment NSW focussing on compliance with dust and rehabilitation conditions. Thirteen non-conformances and sixteen improvement opportunities were identified. Two non-compliances were given a moderate risk ranking and eleven were ranked as low.

The findings constituted both administrative and operational non-compliances. All non-compliances were assigned corrective actions.

Findings ranked as moderate were as follows:

Non Conformance	Response
<p>The mine has internal procedures to manage dust and provides real-time meteorological data including wind speed direction and rules for dumping on its internal website. Data on this internal website is updated at one minute intervals. The audit found that regular systematic visual air quality checks were not carried out to manage dust emissions from haul roads and exposed areas. Wheel generated dust from hauling was visible above tray height and expansive exposed areas were observed in the Cheshunt and South Lemington Pit areas.</p>	<p>Air pollution generated by the mine is assessed regularly, and operations relocated, modified, and/or stopped to minimise air quality impacts. Hunter Valley Operations will review the number and operation of water carts along unsealed roads to minimise dust emissions from hauling and develop toolbox talks to reinforce procedures to modify and/or stop operations during excessive dust periods.</p>
<p>Contrary to the Statement of Commitment relating to air quality, exposed areas were not kept to a minimum. The audit observed that there was no apparent strategic dumping to prioritise completion and rehabilitate extensive exposed areas in the Cheshunt and South Lemington Pit areas. Hunter Valley Operations explained that because of the potential impact on the nearby Maison Dieu community from its 24 hour, 7 day a week operations, it needed a choice of dumping locations so that operations could be relocated during adverse meteorological conditions. The 2009 Annual Environmental Management Report reported that 18 hectares was rehabilitated for the period, contrary to the 2009 Mining Operations Plan commitment of 28.3 hectares.</p>	<p>Hunter Valley Operations have not been able to achieve their Mining Operations Plan rehabilitation target because placement of material to complete the landform has been less than planned. This is due to truck availability and internal dumping restrictions to manage noise and dust impacts. The 2011 Operating Plan has incorporated schedules aimed at dumping in Hunter Valley Operations South to allow progressive rehabilitation. To ensure a better understanding of truck numbers required to account for rehabilitation, the mine site has invested in developing new software that calculates truck hauls for mining blocks and sequences.</p>

## 8. Land

*Our total landholding is 148,000 hectares, with about 12 per cent used for mining purposes.*

Rio Tinto Coal Australia is a large land owner in the areas where we operate. While the location of mining is largely dictated by the location of coal seams, environmental and cultural heritage assessments also determine which land is suitable for mining and related activities.

We support the sustainable development of land resources through planning frameworks that consider the values and needs of all land users. Planning should address issues of land use compatibility on a case-by-case basis, so that multiple and sequential outcomes can be generated from the same and adjacent land. We work closely with other land users to ensure sustainable, successful use of this important resource.

Over the life of a mine, we develop a range of environmental improvement plans to manage impacts on our land. Land use management plans provide the framework for undertaking rehabilitation and other land management programmes.

Rehabilitation involves reshaping and re-vegetating land that has been mined to restore the land for future use. Rehabilitation also reduces erosion by limiting the areas of a mine exposed to wind and water.

The rehabilitation process may involve the establishment of erosion control structures, such as contour banks, drainage lines and dams. Each site develops strategies to manage weeds and feral animals.

Our underground site, Kestrel Mine, is also required to manage subsidence to ensure we minimise any potential impact on overlying land and waterways.

Our total landholding is 148,000 hectares. Of that landholding, about 12 per cent is actively used for mining and infrastructure purposes. The remaining land may be mined in the future or is used as a buffer zone between our operations and near neighbours. This non-mining land may be leased to third parties or actively managed by Rio Tinto Coal Australia for other uses, such as grazing, dairy production or cropping. Regardless of how it is used, we recognise the need for sustainable stewardship of non-mining land.

### **Rehabilitation and disturbance in 2010**

In 2010 a total of 1202 hectares of land were disturbed across our sites to enable access to coal and construction of associated infrastructure. This was an increase from 926 hectares disturbed in 2009.

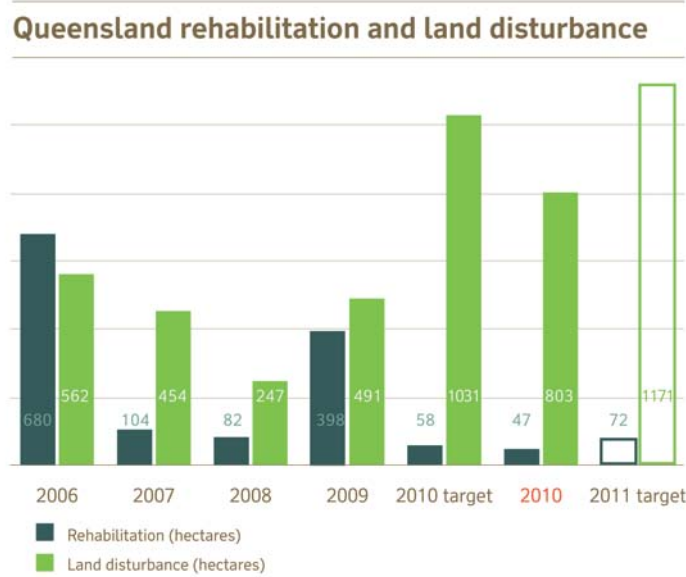
Increased land disturbance was largely at Clermont, Hail Creek, Kestrel, Hunter Valley Operations and Mount Thorley Warkworth where the establishment of new mining areas required an increase in disturbance. Clermont Mine reported its disturbance and rehabilitation for the first time in 2010 as a newly operating mine.

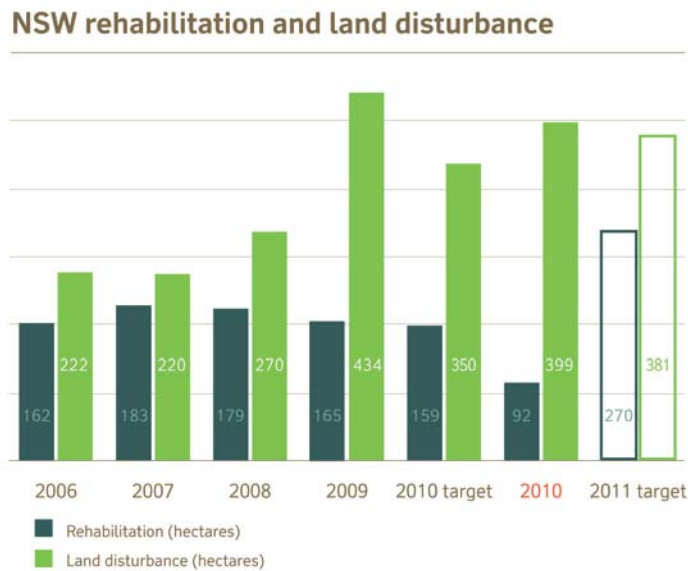
Approximately 140 hectares of land were rehabilitated during 2010 compared with more than 560 hectares of land rehabilitated in 2009. As a result, our rate of rehabilitation decreased from 60 per cent in 2009 to about 14 per cent in 2010.

These results reflect an increased rate of growth across our operations, particularly the opening of Clermont Mine. Further, wet weather impacted the Queensland sites rehabilitation programmes and Mount Thorley Warkworth required larger than planned waste rock dump areas, which in-turn reduced the areas available for rehabilitation.

Of the 140 hectares of land rehabilitated during 2010, 25 per cent was returned for agricultural purposes with the remaining land returned to natural habitat.

During the year, Bengalla was a finalist in the Excellences in Environmental Management category of the Mining Prospect Awards for its work to relocate its Run of Mine Hopper. Hunter Valley Operations received a highly commended award from the NSW Minerals Council Environment and Community Excellence Awards for its alluvial lands rehabilitation project.





## 8.1 Mine life planning

*Planning for mine closure is about ensuring a sustainable, productive future*

We use land for a limited time - the life of a mine - and we want to ensure that in the future land becomes available for other uses, such as conservation, grazing and housing.

Mine life plans (also known as closure plans) are required for every Rio Tinto operation. They are developed by a multi-disciplinary team including mine planners, engineers and specialists in the areas of finance, environment, cultural heritage, community relations and human resources. This ensures all issues and options are considered. Consultation with the local community is also an important aspect of the development of these plans.

Mine life plans are reviewed and updated throughout the life of the mine. For those operations with a predicted life of more than 20 years, plans must be updated every seven years, while operations with a predicted life of 20 years or less must update their plans every five years.

### 2010 activity

During 2010, Blair Athol's mine life plan was reviewed and updated. Mining at Blair Athol is currently planned to finish in 2016 with final rehabilitation to be completed in subsequent years. Detailed decommissioning studies and plans will occur annually for Blair Athol Mine from now until final closure. Planning for a post-mining 10 year rehabilitation monitoring programme is underway, as is consultation with the local community and Traditional Owner groups which will inform post-mining use for the mine.

A detailed mine life plan for the Hail Creek Mine and Hunter Valley Operations will commence in 2011. Finalisation of the Clermont mine life plan is scheduled for 2012 and Bengalla and Mount Thorley Warkworth's closure plans are due for review in 2012.

## 8.2 Non-mining land

*The land we use for mining is only a portion of what we own and manage.*

Eighty per cent of the land we own is not currently used for mining. It may be mined in the future, used as a buffer zone, or be conserved as an offset.

We own more than 80 properties neighbouring our operations which may be leased for stock and cropping, used for conservation and managed under the Rio Tinto Land Use Stewardship standard.

The standard requires a land-use management plan that promotes an integrated and sustainable approach to land management and addresses issues of biodiversity conservation, environmental offsets, and interactions with adjoining land, legacy and protection of socio-cultural and natural heritage features.

We conduct activities in each of these areas under our biodiversity action plans (see our 'Biodiversity' page for more information). In addition, we have detailed procedures for managing non-mining land to ensure that employees, contractors and consultants are aware of land ownership tenure, occupation status, social and environmental sensitivities and their responsibilities, and any Rio Tinto Coal Australia land and property occupied and used by third parties meets statutory and company requirements.

During 2010, we supported the introduction of standard land access framework by the Queensland Government, which aligns with our existing protocols. We also participated in discussions regarding the proposed Strategic Cropping Land Framework in Queensland and land use planning in New South Wales.

In 2010 our managed operations in New South Wales (Coal & Allied) completed the sale of the undeveloped Maules Creek Coal Project and Vickery Coal Project.

RTCA is also a major landowner in the Lower Hunter region, owning more than 4000 hectares. We propose to transfer 80 per cent of these lands (more than 3200 hectares) to government for permanent conservation as an offset for proposed development on the remainder of the land.

With the remainder of the land (around 800 hectares) we are undertaking broad community engagement to determine development opportunities that aim to create long-term economic and social benefits for the region.

## 9. Biodiversity

*Implementing Bowen Basin and Hunter Valley regional biodiversity action plans*

We operate in the Bowen Basin of central Queensland and the Hunter Valley in New South Wales. These regions are recognised and valued for their biodiversity. Traditional Owners have also long understood the interconnectedness of the environment and place great value on livelihood, spiritual and customary resources.

We seek to have a "net positive impact" (NPI) on biodiversity. We aim to minimise the impacts of our business and contribute to biodiversity conservation to ensure a region ultimately benefits from our presence. To achieve this, we first seek to understand the biodiversity elements of the regions where we operate, as well as the "values" placed upon those elements.

We then prioritise our actions, focusing on the biodiversity elements that have the highest conservation significance. NPI is achieved by an operation if the areas of biodiversity value lost are less than the areas restored or offset over a period of time.

Biodiversity action plans were developed in 2008 for the two regions in which we operate. The plans adopt a regional approach to managing biodiversity risks and opportunities and are focused on increasing our understanding of threatened and endangered ecological flora and fauna communities and species known (or suspected) to be present on and adjacent to our sites.

Each species or ecological community is summarised by its legislative status and assessed on its vulnerability. By taking a risk-based approach, the species or communities with the highest biodiversity risk are identified and appropriate actions prioritised.

### **2010 activity**

Biodiversity actions plans were reviewed and updated during 2010. A risk management approach was taken to ensure consistency with biodiversity objectives and that the focus remains on managing priority biodiversity risks for each operation.

Site	Identified habitat of conservation significance	2010 biodiversity activities
Clermont Mine	Bluegrass dominant grasslands; Brigalow ecological community; Belyando Cobbler's Peg	<p>Fencing of habitat of high priority species including Bluegrass.</p> <p>Ground disturbance processes consider biodiversity risks and protection.</p>
Blair Athol Mine	<i>Eucalyptus tereticornis</i> and/or <i>Eucalyptus</i> spp. tall woodland	<p>Fire Management Plans developed.</p> <p>Closure planning appropriately considers long-term biodiversity management, e.g. future use of water storage facilities as habitats.</p> <p>Development of nature refuges.</p> <p>Rehabilitation trials to re-establish Bluegrass at site.</p> <p>Commencement of a research and development program into germination and propagation method for Belyando Cobbler's Peg.</p> <p>Discuss biodiversity management with near neighbours.</p> <p>Koala Venture programme with The University of Queensland.</p> <p>Vegetation and aquatic survey work.</p> <p>Biodiversity management sessions across operations to encourage knowledge sharing.</p>
Hail Creek Mine	Brigalow ecological community; <i>Eucalyptus raveretiana</i> riparian habitat	<p>Closure planning appropriately considers long-term biodiversity management, e.g. future use of water storage facilities as habitats.</p> <p>Identify and document areas of conservation significance and or habitats for high priority species with offset potential.</p> <p>Vegetation and aquatic survey work.</p> <p>Traditional Owners invited to provide input into biodiversity management.</p> <p>Development of Feral Animal Control Plans.</p> <p>Increase biodiversity awareness amongst employees.</p> <p>Included accurate biodiversity related information on site Geographic Information Systems to assist management.</p> <p>NGO involvement in biodiversity activities e.g. Birds Australia</p> <p>Biodiversity management sessions across operations to encourage knowledge sharing.</p>

Kestrel Mine	Bluegrass dominant grasslands	<p>Closure planning appropriately considers long-term biodiversity management, e.g. future use of water storage facilities as habitats.</p> <p>Rehabilitation trials to re-establish 'Costains Yard' with Brigalow and associated species at site.</p> <p>Aquatic survey work.</p> <p>Biodiversity management sessions across operations to encourage knowledge sharing.</p>
Hunter Valley Operations	Central Hunter Ironbark - Grey Box Woodland; Slaty Box Woodland; Hunter Floodplain Red Gum Woodland	<p>Weed management, including at Carrington Billabong.</p> <p>Hunter Floodplain Red Gum Woodland rehabilitation and restoration strategy - vegetation survey and prioritisation of areas for improvement work.</p> <p>Hunter Floodplain Red Gum Woodland research programme through University of New England to inform Coal &amp; Allied restoration work in the future.</p>
Mount Thorley Warkworth	Central Hunter Ironbark - Grey Box Woodland; Warkworth Sands Woodland; Hunter Floodplain Red Gum Woodland	<p>Weed management and feral animal control.</p> <p>Continuation of University of New England research programme including ongoing seed collection, germination and propagation trials.</p> <p>Planting trials of Warkworth Sands Woodland species at Archerfield Station.</p> <p>Honours project to assess the role of ants in the ecology and recovery of Warkworth Sands Woodland species.</p> <p>Collection of soil seed cores to identify plant species persisting within the seed bank, with a focus upon sandy soils and WSW species.</p> <p>Planting with aquatic and semi-aquatic vegetation at three habitat ponds with local primary school.</p> <p>Mechanical harvest of native grass seed.</p> <p>Fencing maintenance to exclude cattle from protected areas.</p> <p>Pollination mapping.</p>

## 10. Water

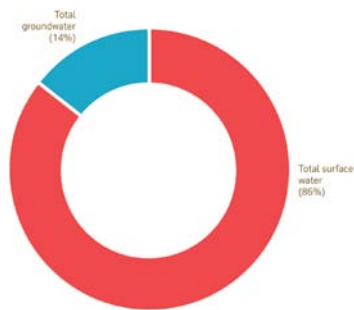
*More than half the water we use at site is recycled*

Water is a precious resource that is essential to sustain social, environmental, agricultural and industrial demands. These demands often compete for access to water resources and we must ensure that we use water in the most efficient way.

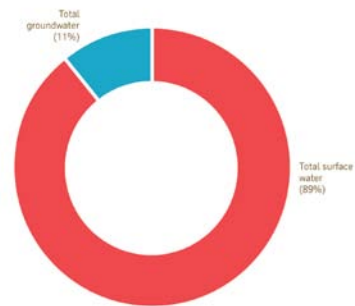
Access to water is critical to the ongoing successful operation of our sites. We use water to wash coal during processing, to suppress dust, to cool equipment, for human consumption on site and to manage mineral waste streams.

Our water is sourced from rainfall on site, groundwater bores or pumped from an external source. The most significant source is water captured on site through rainfall and runoff which is stored for later use.

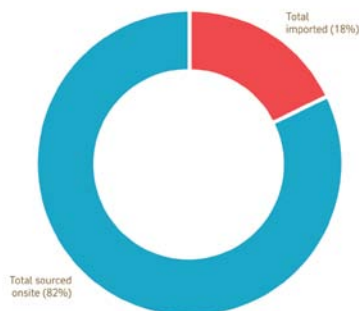
Queensland water sources: surface and groundwater



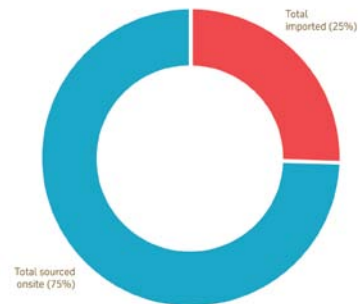
NSW water sources: surface and groundwater



Queensland water sources: onsite and imported



NSW water sources: onsite and imported



We use a combination of fresh and poorer quality water on site. Freshwater is defined as 'used' once it enters our operations and is either used or intended to be used for coal mining and processing, or water released from site that meets the quality definitions of freshwater.

We aim to minimise the use of freshwater by recycling water where possible. Runoff from undisturbed catchments is diverted around mining areas and back into natural watercourses wherever practicable. In-pit water captured on site is used in preference to freshwater.

Excess mine water that meets specific water quality criteria is discharged to the environment from our operations in accordance with our environmental approvals.

We have extensive surface and ground water monitoring systems across our sites.

**Number of surface water and ground water monitors**

	<b>Water (surface and groundwater)</b>
<b>New South Wales operations</b>	390
<b>Queensland operations</b>	420

In New South Wales, we are participants to the Hunter River Salinity Trading Scheme which uses economic instruments for the effective management of this waterway. The scheme helps manage the needs of the agricultural industry, mining industry and environment and involves extensive and continuous real-time monitoring of environmental conditions and discharges. The New South Wales Department of Environment, Climate Change and Water (DECCW) administer the scheme with guidance from an operations committee with representatives of government, industry and the community. Each year DECCW assesses the performance of the scheme and reports publicly at <http://www.environment.nsw.gov.au/licensing/hrsts/index.htm>

In Queensland, Clermont Mine has taken a leading approach to involve key stakeholders in water management at site. We have signed a legally binding agreement with neighbouring landholders, separate and in addition to government operating requirements. The agreement is a commitment by Rio Tinto Coal Australia to undertake, and involve stakeholders, in water management and impact minimisation, including ongoing monitoring and review of impacts of dewatering.

Under the agreement a Groundwater and Environmental Reference Group was formed to provide a formal link between stakeholders and the mine operations. The group is independently chaired; meets quarterly and representatives are drawn from neighbouring landholders, local council, and community, non-government organisations such as Landcare and AgForce, and regulatory bodies. The group discusses environmental performance at the mine, groundwater monitoring, feedback may be provided on specific issues, and experts may present to the group on areas of interest.

**2010 activity**

Work commenced under the Rio Tinto Coal Australia Water Strategy. The strategy provides direction for our operations over the next five years, and is supported by a Strategic Water Action Plan which details programmes, associated actions and priority for each of the key objectives identified in the Water Strategy.

The key objectives of the strategy are,

- Improving risk management
- Improving water performance
- Accounting for the value of water
- Engaging on water.

### **Water use in 2010**

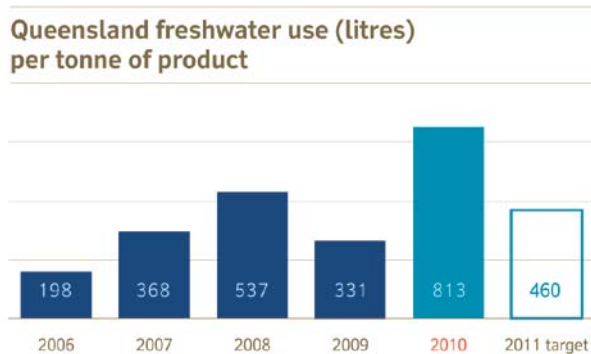
Water use at our operations increased during 2010, largely as a result of high rainfall which was captured on site and used, stored or discharged. Abnormally heavy rainfall in parts of Queensland resulted in large volumes of water in onsite dams that was unable to be released due to strict discharge regulations.

More than 70 per cent of the total water used by our New South Wales operations was recycled water, while about 65 per cent of the total water used by our Queensland operations was recycled water.

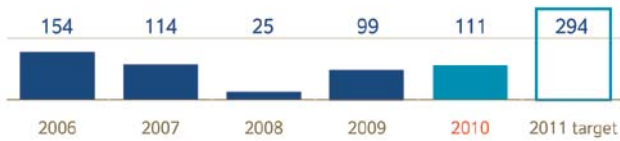
Non-recycled water used during the year was sourced from onsite surface water (rainfall captured and stored onsite).

Significant rainfall resulted in the controlled release of water from a number of our operations during 2010. Approximately 3400 mega litres were discharged from our New South Wales operations in to the Hunter River under the Hunter River Salinity Trading Scheme. Approximately 9700 mega litres were discharged from our Queensland operations into various locations under each site's environmental authority.

We reported five water-related environmental incidents during 2010. Please see our incidents page for more information.



### NSW freshwater use (litres) per tonne of product



## 11. Energy and climate change

### *Reducing emissions from the mining and use of coal*

It is important that our business contributes to climate change solutions and invests in research and development initiatives to find ways to reduce greenhouse gas emissions throughout the coal chain.

We have actively managed our energy footprint and greenhouse gas emissions profile since 1996. Our current climate change programme, launched in 2007, has four objectives:

- The active research and promotion of technologies that reduce carbon dioxide emissions from the use of coal
- The improved use of energy at our operations, projects and supply chain
- Designing future projects with energy efficiency and climate change risks considered
- Raising awareness among stakeholders that climate change is an issue that requires us all to change how we currently operate.

A review of the three-year programme is available on our website. A planned update of the climate change programme was deferred until 2011 while we focussed on the implementation of business processes and systems to ensure compliance with new legislation related to greenhouse gas emissions, energy use and energy efficiency.

### **2010 activity**

During 2010 we continued to improve our business systems to ensure continued compliance with Australian government legislation, completing reporting required by the *Energy Efficiency Opportunities Act 2006* (EEO), and reporting under the *National Greenhouse and Energy Reporting Act 2007* (NGER).

NGER requires us to report our annual direct and indirect greenhouse gas emissions and energy use. The second reporting cycle was the period 1 July 2009 to 30 June 2010, during which Rio Tinto Coal Australia reported total emissions of 3,443,534 tonnes of carbon dioxide equivalents. Rio Tinto Coal Australia's NGER report was externally audited and verified prior to submission to the Australian Government.

EEO requires us to assess our energy use, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on these activities. A report of our EEO projects is available on the Rio Tinto website.

There was also a large amount of work dedicated to reducing our greenhouse gas emission footprint, energy use and our energy efficiency programme. More information about our commitment to low emission coal technology is available in the 'Product stewardship' section of our website.

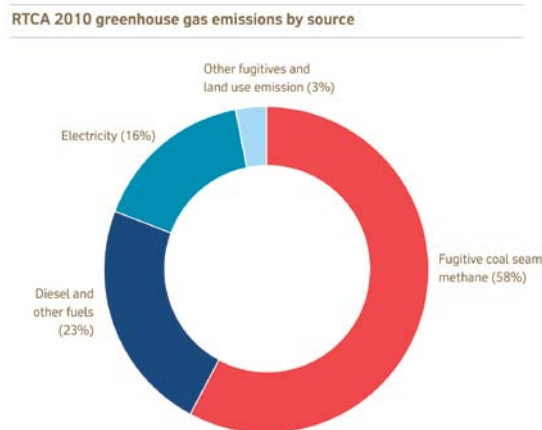
## 11.1 Greenhouse gas emissions

*We emitted two per cent more emissions for every tonne of material we moved compared with 2009.*

Our work involves using energy to move large volumes of earth and coal. Our energy use forms a large proportion of our greenhouse gas emissions. By moving material in the most efficient way possible, we directly reduce our energy use, greenhouse gas emissions and costs. Energy used on site includes diesel and other fuels, and electricity purchased from external providers.

We track our energy use for every tonne of material we move, set voluntary internal targets for the amount of greenhouse gas emissions produced per tonne of material moved, and report our performance using the measure *amount of greenhouse gas emissions per tonne of material moved*. This measure helps drive efficiencies and behavioural change in our business to reduce greenhouse gas emissions from energy used during the mining process.

In addition to the emissions produced from the energy we use, our total greenhouse gas emissions include fugitive emissions. Fugitive emissions of carbon dioxide and methane are naturally occurring in coal seams and are released to the atmosphere during the mining process. Fugitive emissions from open cut mining are not yet able to be accurately measured and we have no control over their release. Fugitive emissions are estimated to be a large proportion of our total greenhouse gas emission footprint.



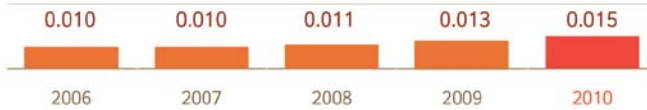
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Our products also create greenhouse gas emissions when used by our customers to generate power or to convert iron ore into steel. We estimate emissions from these downstream processes to be 116.5 million tonnes of carbon dioxide from coal produced in 2010.

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**Queensland energy use (gigajoules)  
per tonne of material moved**

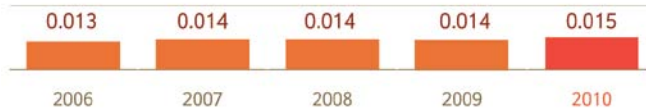
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**NSW energy use (gigajoules)  
per tonne of material moved**

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## **2010 performance**

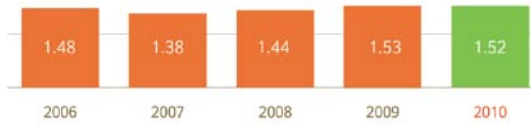
During 2010 we moved about 960 million tonnes of material compared with 740 million tonnes moved in 2009. Our business increased greenhouse gas emissions per tonne of material moved by two per cent, largely resulting from longer distances travelled by haul trucks thereby using more fuel.

Our Queensland open cut operations maintained their greenhouse gas emissions per tonne of material moved relative to 2009. Our NSW operations increased their greenhouse gas emissions per tonne of material moved by three per cent.

During 2010 our underground Kestrel Mine in Queensland increased its emissions per tonne of material moved by 30 per cent relative to 2009. This was mainly from an overall reduction in the volume of material moved in 2010, following the completion of construction works associated with water management structures and site access roads at Kestrel Mine Extension. We report the performance of our Kestrel Mine separately because greenhouse gas emissions and management varies greatly between open cut and underground operations.

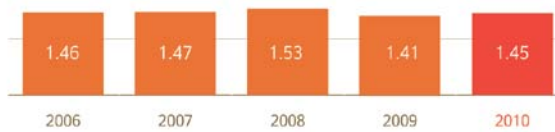
The Coal Seam Methane Pilot Project at Mount Thorley Warkworth concluded in December 2010, delivering an estimate of the methane and carbon dioxide within coal seams that are yet to be mined and greatly increasing our knowledge of methane production from shallow coal seams. This project is believed to be a world-first in producing methane from shallow coal seams in advance of an open-cut mine. The drilling programme is being extended to all sites in NSW.

### Queensland greenhouse gas emissions (kg CO<sub>2</sub>-e) per tonne of material moved



Exclusions : fugitive emissions and Kestrel Mine (underground)

### NSW greenhouse gas emissions (kg CO<sub>2</sub>-e) per tonne of material moved



Exclusions : fugitive emissions

## 11.2 Emission reduction through energy management

*More than 25,000 tonnes of emissions avoided through our energy management programme*

Our energy management programme is designed to better understand and reduce our energy use to deliver reductions in greenhouse gas emissions.

Our energy management programme delivered 25,000 tonnes of carbon dioxide equivalent emissions abatement in 2010, in addition to the ongoing abatement realised from energy management projects implemented in previous years. Since the current programme commenced in 2007, more than 155,000 tonnes of carbon dioxide equivalent have been avoided<sup>2</sup>.

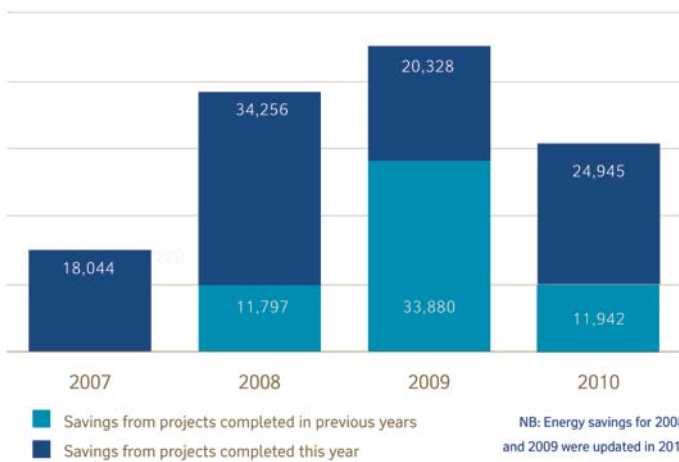
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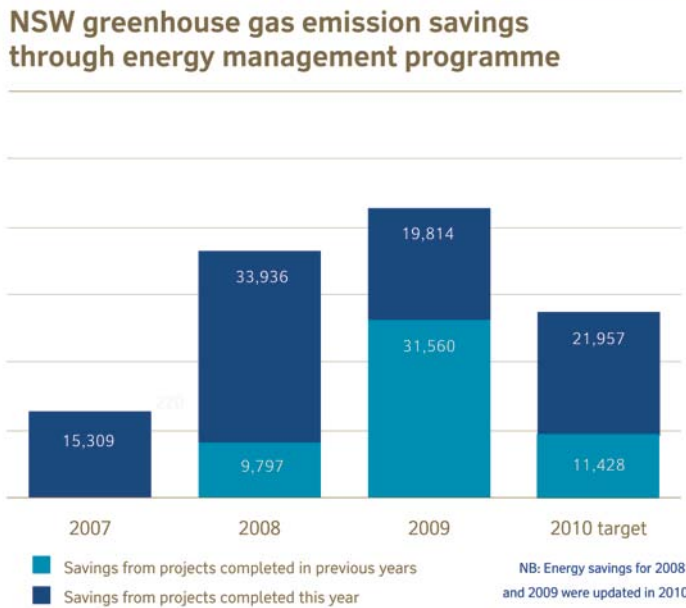
<sup>2</sup> Energy savings from completed projects are tracked and reported for 12 months after project implementation. Cumulative energy savings reported on an ongoing basis are therefore conservative.

**2010 energy management programme highlights**

Programme	Participating sites	Avoided emissions (tonnes of carbon dioxide equivalents)
Using biodiesel from a by-product feedstock	NSW operations	9000
Dragline productivity improvements	NSW operations	9800
Payload optimisation (reduced diesel use)	Mount Thorley Warkworth Hail Creek Mine	2000
Improved fuel management for equipment	All operations	2000
Plant and train load out operation improvements	Hunter Valley Operations Hail Creek Mine	1100
Replace diesel compressors with electric	Kestrel Mine	1000
Improved dragline lighting management	Blair Athol Mine	100

**Queensland greenhouse gas emission savings through energy management programme**





## 12. Waste

*More than 70 per cent of non-mineral waste recycled*

Our operations produce mineral waste such as mined rock and tailings from coal processing and non-mineral waste such as scrap steel, oil and general waste.

Mineral waste is disposed onsite in accordance with our mine plans. Mineral waste management may take the form of 'backfilling' areas which have already been mined or the placement of waste rock or overburden in stable landforms on top of natural topography. Finer mineral waste materials may be pumped to waste storage dams which are then capped and rehabilitated. The management of mineral waste is dictated by the characteristics of the waste involved.

Our sites operate comprehensive non-mineral waste management systems that include day to day management of all major regulated and industrial waste streams. The system focuses on correct waste handling, storage, segregation, recycling and reuse of materials. Non mineral waste that cannot be recycled and is considered non-hazardous is disposed of at appropriate landfill facilities, using licensed contractors.

Hazardous non-mineral waste that cannot be re-used or recycled is collected and sent off site for treatment and specialised disposal by licensed contractors. The off site treatment and disposal facilities used are audited to ensure that the wastes are appropriately disposed.

To continually improve our waste management performance, employees are provided with regular training and awareness on different aspects of waste management.

This approach limits our environmental footprint, reduces energy consumption and minimises future closure costs.

### **2010 performance**

During 2010 our operations produced 18,000 tonnes of non-mineral waste, more than 70 per cent of which was recycled and would have otherwise been placed in offsite landfill.

	2009	2010
Non-mineral waste (tonnes)	15,000	18,000
Proportion recycled (%)	70	72

## **13. Air quality and noise**

Noise and dust are significant issues for our neighbouring communities and minimising the effect of these two impacts from our operations will remain a key focus in 2011.

Rio Tinto maintains a strict standard for air quality control which covers emissions released during exploration, mining, processing, materials handling and transportation. This standard also ensures we effectively manage air quality and noise limits set under our operating licences and approvals.

Our key controls for managing and reducing the creation of dust from our operations include:

- Water trucks using recycled water for dust suppression across site
- Automatic activation of sprays at our hoppers to reduce dust when haul trucks dump their loads
- Restricting the removal of topsoil to ensure we only remove when it contains enough moisture and does not generate dust
- Ceasing mine operations during extreme weather including windy and dry conditions
- Covering our conveyors and keeping stockpiles damp
- Rehabilitating land as soon as possible to reduce exposed areas.

Blasting during mining can have a short term impact on dust levels and we take into consideration both the strength and direction of wind before deciding whether to carry out blasting.

Our noise management standard requires the identification and evaluation of noise and vibration sources, and taking effective measures to design and implement appropriate controls.

Our key controls for managing and reducing the noise from our operations include:

- Mining equipment adjusted and maintained to meet noise restrictions
- New mining equipment purchased with noise limit specifications considered
- Noise monitoring of mobile plant and equipment

- Using quieter equipment in noise sensitive areas
- Enclosing processing areas to reduce noise levels
- Adjusting mine activity for day and night conditions
- Education and awareness amongst employees of noise sensitivities
- Creating bunds or screens to insulate noise
- Covering our conveyors to reduce noise levels.

We conduct regular monitoring programmes at those sites with near neighbours who may be impacted by noise. We measure noise using a combination of attended noise monitoring (hand held units) and real time noise monitoring (usually unmanned, permanent units). These field measurements of environmental noise are complex so we engage trained consultants to undertake independent assessments. As a result we may adapt, modify or stop operations to limit impacts.

**Number of monitors across our sites**

	Monitor type		
	Noise	Air quality	Blast
<b>New South Wales operations</b>	37	139	36
<b>Queensland operations</b>	15	51	8

### 13.1 Air quality monitoring in the Hunter Valley

Each site maintains an air quality monitoring network. The monitors report on wind speed, wind direction and particle levels in the atmosphere. Particles or particulate matter (PM) are suspended in the air and may include dust, dirt, soil, smoke, and liquid droplets. Large particles can be seen as dust or smoke, while smaller particles are invisible to the eye.

Particles are classified on the basis of their size and are measured in microns ( $\mu\text{m}$ ). A  $\mu\text{m}$  is one millionth of a metre, or 0.000001 metres.

We measure two different size particles:

- Total suspended particulate matter (TSP), which is all of the suspended particulate material present in the atmosphere below 50  $\mu\text{m}$  in diameter
- PM10, which is particulate matter below 10 $\mu\text{m}$  in diameter.

For comparison, the diameter of a human hair ranges from 50 to 100  $\mu\text{m}$  which is at least five times the diameter of a PM10 particle.

The majority of dust particles from mining activities are large dust particles, known as coarse particles. These particles are generated from the mechanical disturbance of rock and soil materials through draglines, bulldozing, blasting, and vehicles travelling on dirt roads, or when wind blows over bare ground and stockpiles. Fine particles, such as PM2.5 account for 5 per cent of dust produced at mine sites. Fine particles (PM2.5) are mostly generated from vehicle exhausts and combustion processes, similar to urban areas.

Different types of monitoring equipment are used as part of a site monitoring network. These include High Volume Air Samplers. They can be fitted with a size-selective inlet to monitor TSP or PM10. The samplers operate for 24 hours on a six day cycle to provide real-time data for operations and regulatory purposes. By providing information to our operations in real time, we can proactively adjust our activities to reduce any potential impacts as they arise.

There are 139 air quality monitoring units across our sites in New South Wales.

Annual Environmental Monitoring Reports are submitted to Government and detail monitoring results. To view these reports, go to [www.coalallied.com.au](http://www.coalallied.com.au), select an operation on the home page and click on “Library”, or visit our shop fronts.

We participate in the Hunter Valley Air Quality Monitoring Network, established in partnership with New South Wales Government and other coal mining operators in the region.

The network of monitors will continuously measure dust particulates in the air, reporting in real time online at [www.environment.nsw.gov.au/aqms/aqi.htm](http://www.environment.nsw.gov.au/aqms/aqi.htm)

# Communities and government

## More than \$9 million invested in the community

### **Our approach**

Our operations are part of local communities which include Aboriginal communities, employees and contractors, near neighbours who live close to our sites, as well as local businesses who provide goods and services to our operations.

We set out to build relationships with all of our communities that are characterised by mutual respect, active partnership and long term commitment. In practice this means:

- Having robust relationships with our communities of interest – this requires understanding the issues and needs of different stakeholders
- Effectively contributing to communities by understanding the socio-economic environment and communities' vision for the future, and providing contributions that are sustainable and build long term community capability.

The Rio Tinto Communities Standard provides a framework for implementing our communities' policy.

Each year we prepare community plans to identify community priorities and manage our activities. Baseline community assessments also inform the development of long-term plans and strategies for community engagement.

We regularly engage with a wide range of Government and opposition members, and officials at a local, state and federal level. This engagement ensures our vision and plans are understood by government, including risks and opportunities for communities.

### **2010 activity**

A new Rio Tinto communities five year target was introduced during 2009. The new target requires operations to have locally appropriate, publicly reported social performance indicators that demonstrate a positive contribution to the economic development of the communities and regions where we work, consistent with the United Nations Millennium Development Goals. Rio Tinto has partnered with the Centre for Social Responsibility in Mining at The University of Queensland to develop the performance targets and will use a number of sites, including our Hunter Valley Operations, to inform this work. Performance against the targets will be publicly reportable and implemented from 2012.

During 2010 we carried out an assessment against the Rio Tinto Communities Standard at Blair Athol Mine and Clermont Mine (assessed as the Clermont Region). The assessment is carried out at each site every three years. Members of the community are invited to participate in a review of our performance as part of the assessment process.

Outcomes of the Clermont Region assessment focused on establishing a combined community relations plan for Aboriginal and broader community relations activity; incorporating social risk assessments into the site planning process; mapping stakeholders and developing a centralised stakeholder database; and ensuring increased awareness of our cultural heritage management requirements amongst employees and contractors.

We introduced a community and stakeholder engagement tracking system in 2010. The system enables employees who engage with external stakeholders to maintain a centralised record of contact details, engagement, any commitments made, and general activity in the community, including community investment. The system will bring a new level of rigour and transparency to our community and stakeholder engagement, ensuring that our community relations and stakeholder engagement remains timely, targeted and consistent in approach. Community and stakeholders have the right to access and correct any personal information that is held about them by contacting us at [info@rtca.riotinto.com.au](mailto:info@rtca.riotinto.com.au).

## 14. Engagement

*Our shop fronts give you more ways to engage with us*

Our operations have an economic, social and environmental impact on neighbouring communities. In turn, the communities' concerns, needs, aspirations and activities impact on our business. Consultation and engagement with communities is essential and occurs in many formats including:

- Community consultative committees
- Dedicated staff to maintain regular contact and engagement with our neighbours and towns
- Indigenous land access negotiation meetings
- Indigenous land access agreements monitoring and liaison meetings
- Project-based consultation programmes, particularly related to expansion projects
- Indigenous business and community development meetings
- Community surveys
- Newsletters/publications – company-wide and local
- Community site tours
- Freecall number in the Hunter Valley to register and seek resolution to specific complaints
- Freecall community information line in the Hunter Valley
- Access to information via the internet.

### **2010 key areas of engagement**

- Clermont Mine opening
- Blair Athol Mine closure planning
- Kestrel Mine extension
- Hunter Valley Operations South extension

- Warkworth extension
- Hunter Valley Operations Carrington West extension
- Mount Pleasant project
- Lower Hunter Lands project
- Upper Hunter Aboriginal cultural heritage conservation area initiative.

Beginning in August 2010, our New South Wales operations held regular information sessions in our shop fronts in Muswellbrook and Singleton. The sessions give people the chance to talk to an experienced subject matter expert on topics from environment and employment to community investment and land management.

## 14.1 Community complaints

*We are committed to working harder to understand and respond to concerns from our stakeholder.s*

In 2010 we recorded 150 formal complaints on issues such as blasting, dust, light, noise and odour. During 2009 there were 149 complaints.

Complaints are usually fielded by our environmental officers via a free call 24 hour phone number.

Upon receiving a complaint, we record details and notify relevant managers and personnel to identify and implement appropriate action. We keep in touch with the community member to inform them of any actions taken in regard to the issue raised. Some issues may require more time to resolve in which case we provide updates of actions and progress in resolving an issue.

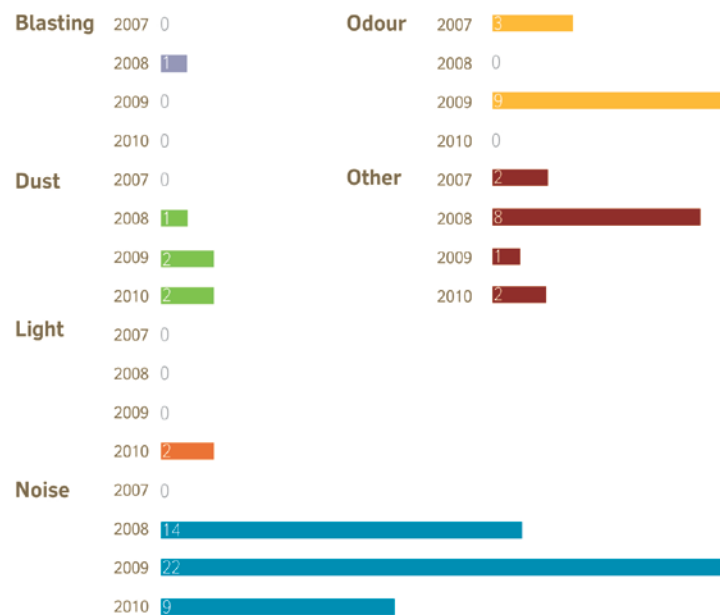
Complaints during 2010 were largely recorded for noise at our Clermont Mine in Queensland, Hunter Valley Operations and Mount Thorley Warkworth in New South Wales; dust at Mount Thorley Warkworth; and blasting at Bengalla and Mount Thorley Warkworth. Mount Thorley Warkworth recorded the most number of complaints during 2010. Blair Athol Mine did not receive any complaints during 2010. Hail Creek Mine and Kestrel Mine recorded one complaint each.

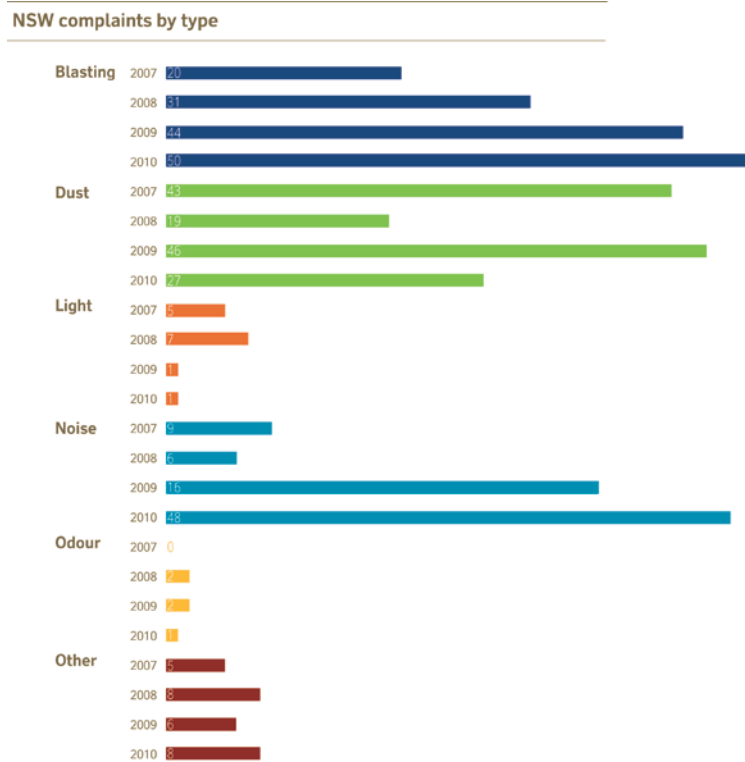
### Summary of key complaints and action

Site	Key issue(s)	Number of key issue complaints	Response
Clermont Mine	Noise	9	Noise management will be an area of focus in 2011 with the following activities: <ul style="list-style-type: none"> <li>• Acoustic modelling study to better understand primary noise sources</li> <li>• Study of available engineering controls for noise (particularly for mobile equipment) and implementation of those that provide the highest cost/benefit.</li> </ul>
Kestrel Mine	Other - land	1	Kestrel Mine received a complaint regarding the disturbance of cattle during surface drilling activities. Response was managed with the landowner directly affected.

Hail Creek Mine	Other – water	1	Regular communications with neighbours on water levels and quality, monitoring station installed to provide better quality data on water levels and impacts of releasing, replacement of water level gauge to allow for better guidance on water depth during flood.
Bengalla	Blasting	18	Blast complaints were typically with regards blast timing, vibrations and fumes. Blast monitoring results were discussed with each complainant and investigations made as appropriate.
Mount Thorley Warkworth	Blasting, noise and dust	26 22 17	Noise suppression equipment introduced during 2010; targeted noise monitoring and consultation with near neighbours located close to operating areas, in particular Bulga; real-time noise monitoring with noise alarm triggering relevant response.
Hunter Valley Operations	Noise	23	Operations are required to check a dedicated weather monitoring webpage to inform operating activities; use of night time dumps so that noise is not near neighbours; supplementary monitoring for neighbours.

#### Queensland complaints by type





## 14.2 Government relations

*Our engagement with government is guided by our statement of business practice, The way we work.*

We do not, directly or indirectly, participate in party politics nor make payments to political parties or individual politicians.

We communicate views to governments and others on matters affecting our business interests and those of shareholders, employees and others involved in our activities. Where there is an appropriate opportunity to do so, we participate in the development of policy and legislation that is relevant and appropriate to our business interests. This direct engagement includes formal submissions, face to face meetings, briefings, hosted tours of our operations and formal correspondence.

We also interact with governments in their capacity as consent authorities for our activities. Before the government gives approval for a project to proceed, it undergoes rigorous assessment processes that identify environmental, social and economic issues associated with the project. Approval is only granted if impacts can be managed within acceptable levels, taking into account the need to balance environmental, social and economic outcomes.

### 2010 activity

During the year we considered proposed policy and legislation and responded to key issues such as land use and regional planning, social impacts and housing, taxation and investment security, the regulatory approvals process and climate change.

Our advocacy to government generally occurs in four main areas which represent some of the key strategic challenges for our business:

- Certainty of land access – through planning that considers the needs of all land users and providing a consistent and timely approvals process for major projects
- Investment security – by delivering an investment environment that is attractive and internationally competitive
- Regional planning and delivery of services – by developing and implementing regional plans to streamline investment and the delivery of services as well as effectively respond to growth in a region
- Building a sustainable coal industry – by developing a consistent national approach to climate policy, energy management and delivery of low emission technologies.

### 14.3 Agreements

*Agreement-making built on lasting relationships and sustainable communities*

#### **Our approach**

Aboriginal people continue to have an association with the land on which we operate and are important stakeholders in the approval process for any land development proposal.

Our Aboriginal engagement is characterised by:

- Developing Aboriginal community agreements
- Implementing Aboriginal community development programmes
- Managing impacts on Aboriginal cultural heritage
- Increasing Aboriginal employment opportunities
- Building cross-cultural awareness across the business.

We propose to negotiate with individual native title claim groups about our developments and formalise our agreements through the process of Indigenous Land Use Agreements (ILUA) under the *Native Title Act 1993*. Our approach to agreement-making is guided by Rio Tinto's policy on communities, which states, in part, that we set out to build enduring relationships with our neighbours that are characterised by mutual respect, active partnership, and long term commitment. As a result we have developed a relational rather than transactional approach to agreement making.

Our current land use agreements are:

- Hail Creek Mine's Agreement with the Wiri Yuwiburra People
- Blair Athol Mine and Clermont Mine Indigenous Land Use Agreement with the Wangan Jagalingou People
- Kestrel Mine Land Use Agreement with the Western Kangoulu People
- Mount Pleasant Agreement with the Wonnarua People.

Each agreement is unique. It is legally binding and has immediate and long term obligations.

The agreements provide for a financial contribution to the Aboriginal community through an Aboriginal Community Development Fund, but are more than a commercial contract.

The intent is to formalise and structure a mutually beneficial and constructive working relationship that supports and enables all parties to achieve their vision of the future. Given that the agreement is more about relationships than money, a core aspect of implementation is the systems that support our delivering the intent of the agreement.

Implementing the agreements is an important part of our business, enabling us to progress statutory processes for the granting of tenure and heritage approvals before mining activities commence.

## 15. Cultural heritage

*Our Aboriginal cultural heritage team, together with Traditional Owners and external specialists, collectively spent over 1000 days managing cultural heritage across our sites*

### **Our approach**

The main function of the cultural heritage programme is to ensure we meet our internal, statutory and community obligations with respect to the consultation, identification, assessment, protection and management of Aboriginal cultural heritage and enable access to land for development activities for all RTCA operations, projects and lands.

### **2010 activity**

During 2010 heritage activities maintained excellent safety standards recording no lost time or medical treatment injuries. 2010 saw the continued expansion of on and off-site heritage management activities associated with on going risk management requirements, ground disturbance permits, and several project development and operational expansion programmes.

In New South Wales, the heritage programme participated in a number of major projects including the Warkworth Mine Extension Environmental Assessment, the Carrington West Wing Extension Environmental Assessment and the Mount Pleasant Project Modification Environmental Assessment. A key focus in New South Wales was the development of an Aboriginal cultural heritage conservation areas initiative in collaboration with the Coal & Allied Upper Hunter Valley Aboriginal Cultural Heritage Working Group involving the identification and assessment of more than 1200 hectares of RTCA owned lands as potential conservation areas.

In Queensland we continued to implement and maintain cultural heritage management agreements with our Traditional Owners associated with operations at Hail Creek Mine (Wiri People), Kestrel Mine (Kangoulu People) and Clermont Region (Wangan & Jagalingou Peoples). We also entered into an exploration agreement with the Barada Barna People who are the Traditional Owners of the lands within the Winchester South exploration project area. Our heritage operations worked collaboratively with Rio Tinto Exploration to manage the cultural heritage processes associated with the Mount Robert and Lake Elphinstone exploration drilling projects in Queensland.

During 2010 we maintained a minimum five year Aboriginal cultural heritage assessment buffer (baseline assessments) and three year mitigation buffer based on planned project and operation land access requirements for all projects and current operations. A Rio Tinto cultural heritage management standard audit was conducted for the Clermont Region operations (Clermont Mine and Blair Athol Mine) in September 2010.

During 2010 there was one breach of statutory requirements for the management of Aboriginal cultural heritage involving the unauthorised disturbance of a heritage site at Hunter Valley Operations. The breach was fully investigated and mine ground disturbance procedures reviewed to mitigate the risk of such an unauthorised disturbance from reoccurring. Five low or moderate incidents involving non-conformances with cultural heritage management procedures were reported during 2010. These did not result in disturbance of Aboriginal cultural heritage. To address these non-conformances, procedural requirements were revised and reinforced with site personnel through general and specific inductions, supervisor training, toolbox discussions and procedural and management system improvements.

	2009	<b>2010</b>
Number of heritage management mobilisations	54	<b>47</b>
Number of site work days	177	<b>144</b>
Aboriginal heritage management programme teams person days on site	973	<b>1211</b>

## 16. Community investment

*Developing partnerships and leveraging our community investment*

### **Our approach**

Our contribution to Queensland and New South Wales extends beyond the immediate economic benefits of our business. We support a wide range of projects and partnerships to build stronger and more sustainable communities. Most importantly, we invest in the regional communities surrounding our operations.

We prioritise support for projects based on the needs of the community as identified through regional plans, consultation and our socio-economic baseline studies. These needs generally include business development, education and training, health, environment and culture. We look for projects that offer long term solutions to important issues in these areas.

Our community investment programme includes community development funds, local donations, sponsorships and partnerships.

We also have a number of corporate sponsorships including Westpac Rescue Helicopter Service, CQRescue, Hunter Medical Research Institute, and Hunter Valley Research Foundation.

Our corporate partnerships include our Community Alliance with the Newcastle Knights NRL team, Centre for Social Responsibility in Mining (The University of Queensland), and the University of Newcastle.

Community investment is made at the discretion of the business. The investment amount is consistent each year, irrespective of market conditions and other impacts on our business.

The way in which our investment is allocated is largely determined by committees comprising of community members and representatives from within our business. Funding may be given for community projects as donations or charitable gifts, sponsorships, partnerships or the cost of matching charity fundraising by employees. Our community development funds are a critical part of our community investment programme. More information about our funds is available by selecting from the navigation menu.

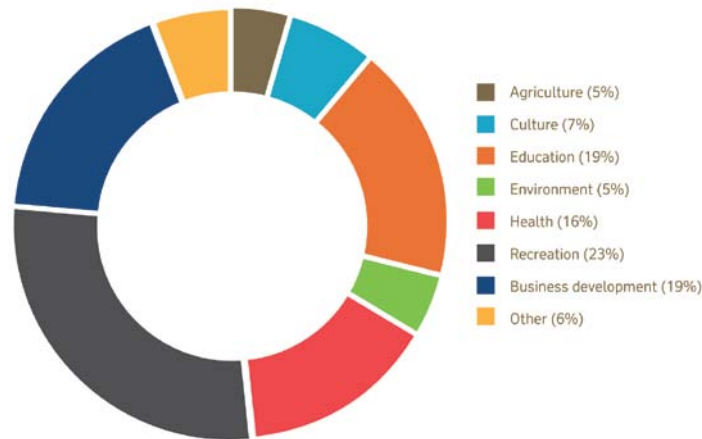
Direct payments or 'community controlled' payments are those that are made via land access, mine development, native title, impact benefit, compensation or other legally binding agreements entered into for the purpose of community development. It is the community – not the business – that determines how the funds are used.

### **2010 activity**

During 2010, we invested more than \$9 million in Queensland and New South Wales, including about \$6 million invested in more than 400 community projects and about \$1.5 million in direct or community controlled payments. We also contribute significant in-kind support and community infrastructure. Approximately \$1.8 million was spent managing our community investment programme.

We work with partners who share our values and goals including community organisations, government and other businesses. Our contribution was supplemented by more than \$10 million from other project partners, delivering a benefit far greater than our contribution alone.

RTCA community investment spend by category



## 16.1 Our community development funds

Rio Tinto Coal Australia currently operates eight community development funds. The funds were established to allow us to contribute to projects which address educational, economic and social needs of communities and that will be sustainable in the long term.

They are an integral part of our approach to community relations, a key objective of which is to effectively contribute to communities' long term sustainability. The funds also contribute to our objective of building robust relationships with our communities of interest, through the relationships developed with board members as well as individuals and organisations applying for funding. Effective operation of the funds also requires us to have a sound understanding of the needs and aspirations of each community.

The funds have operated for different periods. The Coal & Allied Community Development Fund (formerly known as the Coal & Allied Trust) was established in 1999. Other funds were established later with the most recent being 2008.

Four of the community development funds are designed to support projects that provide business, education and training opportunities for the Wiri Yuwiburra, Wangan and Jagalingou and Western Kangoulu People, and the Aboriginal community of the Upper Hunter Valley. In Queensland these funds are established under land use agreements with each Traditional Owner group. Each group determines how the funds will be used in their community.

Each fund has a committee, generally comprising of RTCA representatives and community representatives, which considers applications for funding. Each committee is supported by an RTCA community relations specialist as executive officer.

Wherever possible, we seek community investment opportunities where we are not the only funding source but are one of a number of community and/or government bodies that contribute to a programme that benefits the community. In this way, the long-term sustainability of a programme is increased and community dependence on mining activities decreases over time.

For more information about each fund, please select from the right hand navigation menu.

### **2010 activity**

Since their inception, our community development funds in Queensland and New South Wales have contributed more than \$21 million to the communities in which we operate. During 2010 some of the fund boards began the development of a strategic map for their fund to ensure alignment between identified community needs and the programmes funded.

## **16.2 Sponsorships and donations**

### **Our approach**

While our preference is to support longer term, capacity building projects through our community development funds, we consider applications for local donations and sponsorships that have a clear community benefit and enhance the reputation of our business. Each of our sites has a sponsorships and donations committee. These committees generally meet monthly to consider applications and approve funding for local community-based projects.

Some of our larger corporate sponsorships include Westpac Rescue Helicopter Service, Queensland Minerals and Energy Academy, Hunter Medical Research Institute, Hunter Valley Research Foundation and CQRescue.

Our employees also participate in a range of community fundraising initiatives including the Leukaemia Foundation's World's Greatest Shave and Movember for the Prostate Cancer Foundation of Australia and *beyondblue*.

During 2010 we developed a new programme to recognise and support employee involvement in community activities. This will be implemented in 2011.

## How to apply for a local donation or sponsorship from Rio Tinto Coal Australia

To apply for a local donation or sponsorship please submit an application in writing prior to your activity or event to the relevant funding source below.

Applications will be assessed according to the availability of funds and the ability of the project to meet relevant criteria.

We will review your proposal within four weeks of receiving it.

Location	Funding source	Contact
New South Wales	Hunter Valley Operations	Sponsorships and donations coordinator Hunter Valley Operations PO Box 315 Singleton NSW 2330 Phone: 1800 727 745 Email: <a href="mailto:cnacommunityrelations@riotinto.com">cnacommunityrelations@riotinto.com</a>
	Mount Thorley Warkworth	Sponsorships and donations coordinator Mount Thorley Warkworth PO Box 267 Singleton NSW 2330 Phone: 1800 727 745 Email: <a href="mailto:cnacommunityrelations@riotinto.com">cnacommunityrelations@riotinto.com</a>
	Bengalla	Sponsorships and donations coordinator Bengalla Locked Bag 5 Muswellbrook NSW 2333 Phone: 1800 727 745 Email: <a href="mailto:cnacommunityrelations@riotinto.com">cnacommunityrelations@riotinto.com</a>
	Mount Pleasant Project	Sponsorships and donations coordinator Mount Pleasant Project 19 Bridge Street Muswellbrook NSW 2333 Phone: 1800 727 745 Email: <a href="mailto:cnacommunityrelations@riotinto.com">cnacommunityrelations@riotinto.com</a>
Queensland	Hail Creek Mine	Community Relations Rio Tinto - Hail Creek Mine PO Box 3097 North Mackay QLD 4740 Phone: (07) 4951 6402 Email: <a href="mailto:Fiona.Kruger@riotinto.com">Fiona.Kruger@riotinto.com</a>
	Clermont and Blair Athol mines	Sponsorship and donations coordinator Rio Tinto – Clermont Region PO Box 491 Clermont QLD 4721 Phone: (07) 4980 2317 Email: <a href="mailto:Christina.Robertson@riotinto.com">Christina.Robertson@riotinto.com</a>

	Kestrel Mine	Community Relations Rio Tinto – Kestrel Mine PO Box 1969 Emerald QLD 4720 Phone: (07) 4984 7694 Email: <a href="mailto:Maureen.Tutton@riotinto.com">Maureen.Tutton@riotinto.com</a>
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### 16.3 Where does our community investment go?

Browse through projects funded by RTCA using the database on the website.

## Customers and markets

### We work with customers to help them meet their business needs and environmental obligations

The global thermal and metallurgical coal markets continued to improve throughout 2010 as economies steadily recovered from the global economic downturn. Whilst concerns remain about the economic situation going forward, our traditional Asian markets have recovered and demand for thermal and metallurgical coal remains strong moving in to 2011. Furthermore, continued growth in India and increasing acceptance of imported coals in conjunction with domestic coal in China will underpin continued growth in demand for all types of coal.

In 2010 we worked closely with a customer to further our understanding of the way our products are being used. With this knowledge we are better able to service their changing needs. We also look for opportunities to collaborate with our customers and foster mutual understanding on utilisation of our products. In 2010 this took the form of a collaboration session with a customer, focussing on sharing our knowledge and experience in the area of coal upgrading technologies.

#### 2010 production and sales

In 2010, RTCA mines produced 47.5 million tonnes of coal. Total coal sales were just below our production rate at 47.2 million tonnes.

##### Queensland production

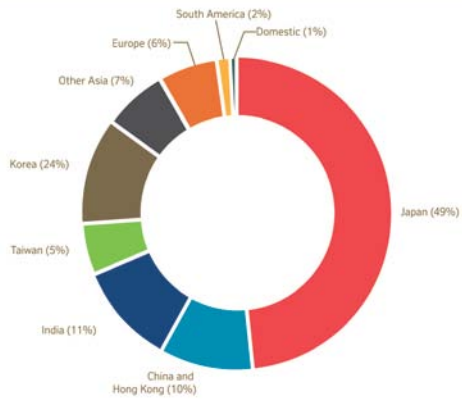
	2008	2009	2010
Coking coal (million tonnes)	9	9	11
Thermal and semi-soft coal (million tonnes)	11	12	11
Total production (million tonnes)	20	21	22

### New South Wales production

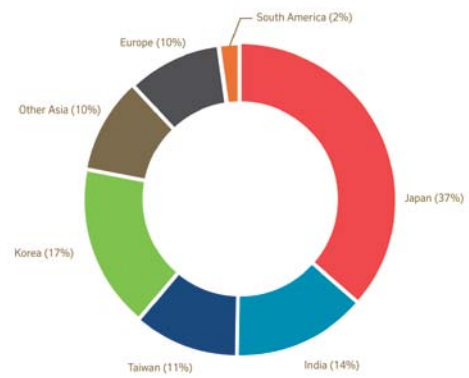
	2008	2009	2010
Semi-soft coking coal (million tonnes)	4	4	5
Thermal coal (million tonnes)	21	21	20
Total production (million tonnes)	25	25	25

### Market profile

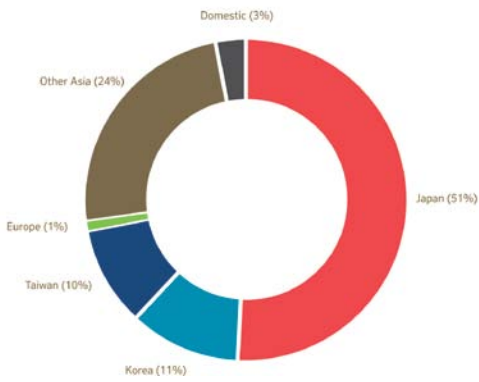
Queensland product destination  
Shipments by market



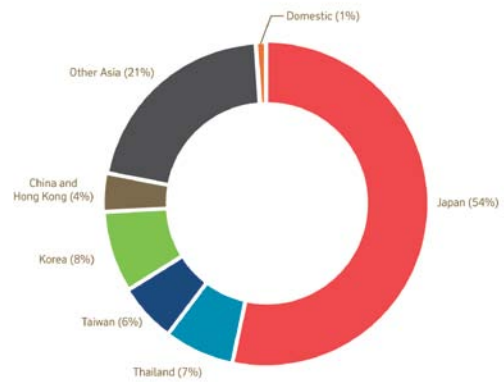
Coking coal - shipments by market



NSW product destination  
Shipments by market



Thermal coal - shipments by market



## 17. Product stewardship

*Our challenge is to improve the contribution that our products make by increasing their value and reducing the impacts of their supply and use.*

While climate change policy will influence demand for our products into the future, coal will remain an important part of the global energy mix.

Our challenge is to improve the contribution that our products make by increasing their value and reducing the impacts of their supply and use. This is called product stewardship and includes providing product choice, increasing product value for customers and managing impacts along the supply chain.

The use of coal contributes about 25 per cent of global greenhouse gas emissions; therefore climate change and greenhouse gas emissions are a key area of focus for us. The production of electricity from coal is the major contributor of greenhouse gas emissions in the coal supply chain. Greenhouse gas emissions from the combustion of our product are approximately 30 times more than the emissions that result from mining, processing and transporting the coal. As a result, our product stewardship activities are focused on reducing emissions from the use of coal by our customers.

We actively support and participate in:

- Research to develop low emission coal technology
- Development of a policy environment to enable the deployment of low emissions coal technologies.

### Product stewardship activities

Programme	Outcomes
<a href="#">COAL21</a>	Australian black coal producers contribute a voluntary levy to the Coal21 Fund to support the development of low emission coal technology in Australia. The fund will raise \$1 billion. Rio Tinto Coal Australia committed \$6 million in 2010 and has committed \$34.5 million to this fund since 2007. To date, the fund has committed more than \$400 million to support specific low emission coal demonstration projects, \$20 million for Queensland geosequestration studies, and \$75 million for the Australian Low Emission Coal Council Research and Development Programme.
<a href="#">Australian Coal Association Research Programme (ACARP)</a>	Australian black coal producers contribute five cents per tonne of product coal to fund research and the development of technologies that lead to the safe, sustainable production and utilisation of coal. During 2010 this contribution was around \$1.35 million. ACARP is currently funding a number of research projects designed to develop practical methods for estimating fugitive emissions from coal mining. There is also considerable research activity on the reduction of dust emissions from coal during transport to and storage at the major export terminals in Australia. More information about this and other research projects is available on the ACARP website.

<p><a href="#">The Cooperative Research Centre for Greenhouse Gas Technologies</a> (CO2CRC)</p>	<p>The CO2CRC conducts research and development into carbon capture technologies and the geological aspects of carbon storage technologies. Its current focus is the Otway Project in Victoria, Australia's first demonstration of the deep geological storage, or geosequestration, of carbon dioxide. Rio Tinto Coal Australia personnel are on the board of the CO2CRC, playing a leading role in managing the operational aspects of the pilot project which has successfully demonstrated the injection and storage of 65,000 tonnes of carbon dioxide. This project has developed and proven monitoring techniques for geological storage of carbon dioxide and significantly advanced the understanding of the regulation of carbon dioxide storage.</p>
<p>Global Carbon Capture and Storage Institute (GCCSI)</p>	<p>GCCSI has been established by the Australian Government to facilitate the deployment of commercial scale CCS demonstrations anywhere in the world. Rio Tinto is a foundation member of the GCCSI and has contributed, together with other members, to the development of its work programme.</p>
<p>Australian National Low Emission Coal (ANLECC); the New South Wales Clean Coal Council (NSWCCC) and the Queensland Clean Coal Council (QCCC)</p>	<p>Rio Tinto Coal Australia's Managing director was appointed to ANLECC, NSWCCC and QCCC. ANLECC developed the National Low Emission Coal Strategy for the Australian Government. This strategy has contributed towards the establishment of the Australian Government's \$2 billion CCS Flagship Programme to support commercial scale demonstrations of CCS in Australia. The QCCC advises the Queensland Government on low emission coal initiatives in the state of Queensland.</p>
<p>Hydrogen Energy</p>	<p>In 2007 Rio Tinto joined with BP to create the Hydrogen Energy joint venture and announced the commencement of feasibility studies into three power generation projects equipped with carbon capture and storage. Currently Rio Tinto has a 50 per cent interest in the Hydrogen Energy California (HECA) project which is a 250MW Integrated Gasification Combined Cycle power plant with coal carbon capture and storage (CCS) fuelled by petroleum coke and coal. The joint venture is seeking additional investors. Subject to a decision by the joint venture to proceed, construction is expected to begin in late 2011 with commissioning commencing in 2014 and 2015. When operating, the plant aims to provide low carbon power to over 150,000 Californian homes.</p>

# Growth and innovation

## Delivered \$260 million in value through business improvement initiatives

### **Our approach**

We are focused on continuous improvement in key areas of our business including marketing, asset management, mining and processing.

Collaboration is an important part of business improvement. By establishing common systems, solving common issues and sharing knowledge and experiences across sites and the wider Rio Tinto Group, our business is able to improve efficiency and create additional value.

Common practice working groups who focus on specific work areas (such as loading, haulage and dumping, or coal processing) identify and implement business wide initiatives.

### **2010 activity**

The Capacity Framework Agreement, signed in 2009 between the New South Wales government, Port Waratah Coal Services (PWCS) and the Newcastle Coal Infrastructure Group (NCIG), remains in its infancy. In the first year of implementation the framework has started to deliver its expected benefits with the next stage of expansion of PWCS – Terminal 4 (T4) – being triggered.

T4, which has been granted Major Project Facilitation by the Commonwealth Government and will be assessed under Major Project legislation by the State Government, will form a critical plank of the Hunter Valley's long term infrastructure solution. This additional capacity will support the future expansions of existing mines and development of new mines planned in the Hunter Valley. Coal & Allied has entered into long term take or pay contracts for port allocation with Port Waratah Coal Services, and has secured additional allocation through NCIG. It will be important that rail capacity keeps pace with the expansion in port capacity in order to service the industry's growth plans.

Following a Queensland Government announcement of an asset sale and the float of Queensland Rail (QR), RTCA was among a consortium of Queensland coal producers which bid \$4.85B to purchase QR's coal freight tracks. The bid was later withdrawn, unable to satisfy both the consortium's and government's requirements, and the Queensland Government proceeded to an IPO for QR National.

RTCA has secured port capacity at Abbot Point to meet expansions at Clermont Mine, for the potential developments of Valeria and Winchester South, and with the potential to provide an alternate port option for Hail Creek Mine production. To facilitate access to Abbot Point, RTCA has agreed to be a foundation customer in the QR Goonyella to Abbot Point Expansion which will link the Goonyella rail system with the Newlands rail system via the "Northern Missing Link" rail line.

During 2010 the business improvement team continued work to introduce and embed a LEAN methodology to help find ways to do business better, faster and smarter. Improvement projects are supported by the processing, mining, dragline and asset management teams in Brisbane. Business improvement tools such as LEAN and 6 Sigma are used to solve problems and improve processes. These tools and improvement messages have also been incorporated into leadership programmes to help embed the desired improvement culture.

Business improvement programmes created over \$260 million in value throughout the year.

**Business improvement programmes**

Site	Programme	Value
Bengalla	Truck payload management continued to make a significant contribution of the improvement value. Other projects which looked at ramp design, dragline use and marketing also contributed.	\$10.5 million
Hunter Valley Operations	Business improvement activities focused on the truck / shovel cycle performance, reducing the time it takes to introduce new heavy mobile equipment, and improving the reliability of the electric shovel fleet.	\$83.1 million
Mount Thorley Warkworth	Value delivered through a combination of maintenance practices, productivity and efficiency projects, including shovel and truck improvements. Reviewing and revising explosives use and supplies also delivered significant gains.	\$52.1 million
Clermont region	Integration between Blair Athol and Clermont was the major focus as well as operational delivery of Clermont Mine. Despite this significant change, Clermont region still made gains through ensuring that train loading and truck payload processes were completed efficiently.	\$11 million
Hail Creek Mine	Continuing coal handling and preparation plant improvement projects, specifically the Teeter Bed Separators and the Jameson Cell Improvements, delivered more than \$19 million in improvements. Other focus areas were truck payload and utilisation, dig rates and dragline bucket and rigging efficiency.	\$31 million
Kestrel Mine	Longwall productivity increase was the focus area for Kestrel Mine, as well as a focus on LEAN processes. Improvement training was undertaken with the Kestrel Mine Extension contracting team.	\$10.1 million
Operations, Marketing and Coal Chain teams	Incremental tonnage increases realised by gaining additional infrastructure capacity. There has also been considerable work done to minimise demurrage costs in New South Wales and Queensland.	\$63.6 million

# Operations and financial performance

## Sharing in the proceeds - 75 per cent of goods and services purchased in Queensland and New South Wales

### **Our approach**

Rio Tinto Coal Australia is committed to delivering financial strength to Rio Tinto, our investors and the communities where we operate.

More information about Rio Tinto Coal Australia and Coal & Allied's financial performance is available online at [www.riotinto.com](http://www.riotinto.com) and [www.coalandallied.com.au](http://www.coalandallied.com.au)

Through our operations, we make a significant direct and indirect contribution to the local, regional and national economy through:

- Export revenue
- Purchasing goods and services from suppliers
- Paying salaries and benefits
- Paying rates, royalties and other taxes to governments, which are used for the provision of services and infrastructure
- Community investments.

### **2010 economic contribution**

We do business with about 3,600 suppliers in Queensland and about 2,500 in New South Wales.

**Queensland economic summary**

Contribution	Local	Regional	National	International	Total
Payments to suppliers (A\$ million)*	107	1422	438	192	2159
Salaries and benefits (A\$ million)	254	46	0	0	300
Taxes and royalties paid to governments (A\$ million)	7	171	303	0	481
<b>Total</b>	<b>368</b>	<b>1639</b>	<b>741</b>	<b>192</b>	<b>2940</b>

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Note: data provided for 100 per cent of managed operations. \* Breakdown by local, regional, national and international is an estimate only.

**New South Wales economic summary**

Contribution	Local	Regional	National	International	Total
Payments to suppliers (A\$ million)*	480	321	119	45	965
Salaries and benefits (A\$ million)	333	13	0	0	346
Taxes and royalties paid to governments (A\$ million)	4	224	284	0	512
<b>Total</b>	<b>817</b>	<b>558</b>	<b>403</b>	<b>45</b>	<b>1823</b>

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Note: data provided for 100 per cent of managed operations. \* Breakdown by local, regional, national and international is an estimate only.

# Site reports

## 18. Bengalla

### Scorecard

Area		2009	2010
Employees	Male	252	<b>246</b>
	Female	18	<b>31</b>
	Total	270	<b>277</b>
Saleable production (million tonnes)		5.5	<b>5.5</b>
All injury frequency rate (AIFR)		0.69	<b>1.19</b>
Freshwater use (litres per tonne of product coal)		110	<b>91</b>
Proportion of recycled water used (%)		n/a	<b>75</b>
Energy use (gigajoules per tonne of material moved)		0.017	<b>0.016</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)		1.61	<b>1.55</b>
Annual rehabilitation (hectares) (not including infrastructure area)		13	<b>11</b>
Annual disturbance (hectares)		18	<b>35</b>
Proportion of non-mineral waste recycled (%)		n/a	<b>90</b>
Community complaints		55	<b>31</b>
Community investment (A\$)		Site donations: \$133,406  Community development funds: \$1,641,976	<b>Site donations:            \$131,328             Community development funds:            \$1,507,473</b>

## 19. Hunter Valley Operations

### Scorecard

Area		2009	2010
Employees	Male	744	<b>855</b>
	Female	59	<b>62</b>
	Total	803	<b>917</b>
Production (million tonnes)		11.2	<b>10.9</b>
All injury frequency rate (AIFR)		0.55	<b>0.43</b>
Freshwater use (litres per tonne of product coal)		123	<b>180</b>
Proportion of recycled water used (%)		n/a	<b>46</b>
Energy use (gigajoules per tonne of material moved)		0.015	<b>0.016</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)		1.50	<b>1.49</b>
Annual rehabilitation (hectares)		86	<b>65</b>
Annual disturbance (hectares) (not including infrastructure area)		272	<b>101</b>
Proportion of non-mineral waste recycled (%)		n/a	<b>85</b>
Community complaints		24	<b>36</b>
Community investment (A\$)		Site donations: \$69,635 Community development funds: \$1,641,976	<b>Site donations: \$30,975 Community development funds: \$1,507,473</b>

## 20. Mount Thorley Warkworth

### Scorecard

Area		2009	2010
Employees	Male	668	<b>780</b>
	Female	57	<b>69</b>
	Total	725	<b>849</b>
Saleable production (million tonnes)		8.5	<b>8.8</b>
All injury frequency rate (AIFR)		0.58	<b>0.53</b>
Freshwater use (litres per tonne of product coal)		61	<b>38</b>
Proportion of recycled water used (%)		n/a	<b>94</b>
Energy use (gigajoules per tonne of material moved)		0.012	<b>0.014</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)		1.28	<b>1.38</b>
Annual rehabilitation (hectares)		66	<b>16</b>
Annual disturbance (hectares) (not including infrastructure area)		144	<b>263</b>
Proportion of non-mineral waste recycled (%)		n/a	<b>85</b>
Community complaints		36	<b>70</b>
Community investment (A\$)		Site donations: \$41,000 Community development funds: \$1,641,976	<b>Site donations: \$41,450 Community development funds: \$1,507,473</b>

## 21. Hail Creek Mine

### Scorecard

Area		2009	2010
Employees	Male	497	<b>641</b>
	Female	80	<b>105</b>
	Total	577	<b>746</b>
Saleable production (million tonnes)		6.2	<b>7.1</b>
All injury frequency rate (AIFR)		0.26	<b>0.32</b>
Freshwater use (litres per tonne of product coal)		842	<b>1995</b>
Proportion of recycled water used (%)		n/a	<b>66</b>
Energy use (gigajoules per tonne of material moved)		0.012	<b>0.012</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)		1.55	<b>1.26</b>
Annual rehabilitation (hectares)		37	<b>5</b>
Annual disturbance (hectares) (not including infrastructure area)		341	<b>247</b>
Proportion of non-mineral waste recycled (%)		n/a	<b>60</b>
Community complaints		0	<b>1</b>
Community investment (A\$)		\$800,932	<b>\$731,687</b>

## 22. Kestrel Mine

### Scorecard

Area		2009	2010
Employees	Male	341	<b>341</b>
	Female	20	<b>19</b>
	Total	361	<b>360</b>
Saleable production (million tonnes)		3.7	<b>4.5</b>
All injury frequency rate (AIFR)		1.55	<b>1.30</b>
Freshwater use (litres per tonne of product coal) (incl. mine extension)		413	<b>485</b>
Proportion of recycled water used (%)		n/a	<b>67</b>
Energy use (gigajoules per tonne of material moved)		0.074	<b>0.085</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)		13.58	<b>17.72</b>
Annual rehabilitation (hectares)		339	<b>0</b>
Annual disturbance (hectares) (not including infrastructure area)		133	<b>6</b>
Proportion of non-mineral waste recycled (%)		n/a	<b>20</b>
Community complaints		0	<b>1</b>
Community investment (A\$)		\$781,987	<b>\$656,235</b>

## 23. Blair Athol Mine

### Scorecard

Area	2009	2010
Saleable production (million tonnes)	11.3	<b>6.8</b>
Freshwater use (litres per tonne of product coal)	24	<b>121</b>
Proportion of recycled water used (%)	n/a	<b>20</b>
Energy use (gigajoules per tonne of material moved)	0.014	<b>0.011</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)	1.46	<b>1.35</b>
Annual rehabilitation (hectares)	21.6	<b>42</b>
Annual disturbance (hectares) (not including infrastructure area)	17.9	<b>222</b>
Proportion of non-mineral waste recycled (%)	n/a	<b>70</b>
Community complaints	9	<b>0</b>

## 24. Clermont Mine

### Scorecard

Area	2009	2010
Saleable production (million tonnes)	0	<b>3.7</b>
Freshwater use (litres per tonne of product coal)	-	<b>171</b>
Proportion of recycled water used (%)	-	<b>8</b>
Energy use (gigajoules per tonne of material moved)	-	<b>0.026</b>
Greenhouse gas emissions (kg CO <sub>2</sub> -e per tonne of equivalent material moved)	-	<b>2.71</b>
Annual rehabilitation (hectares)	-	<b>0</b>
Annual disturbance (hectares) (not including infrastructure area)	-	<b>328</b>
Proportion of non-mineral waste recycled (%)	-	<b>50</b>
Community complaints	25	<b>13</b>

## 25. Clermont Region (Blair Athol Mine and Clermont Mine)

### Scorecard

Area	2009	2010	
Employees	Male	184	<b>438</b>
	Female	22	<b>115</b>
	Total	206	<b>553</b>
All injury frequency rate (AIFR)	0.56	<b>0.67</b>	
Community investment (A\$)	\$2,775,222	<b>\$704,478</b>	

Note: Blair Athol and Clermont Mine operate on a shared services model and report as the Clermont Region for the above metrics.