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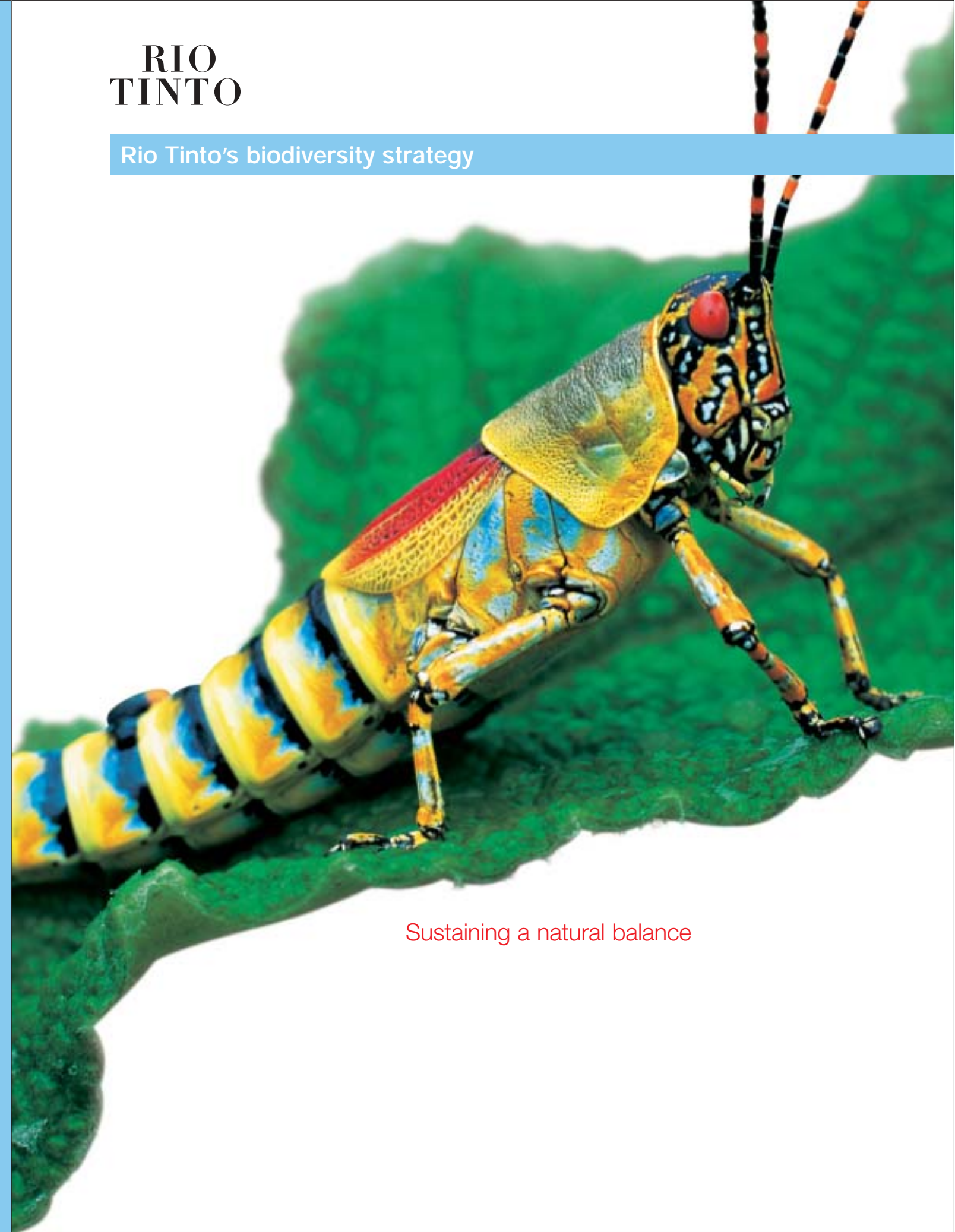
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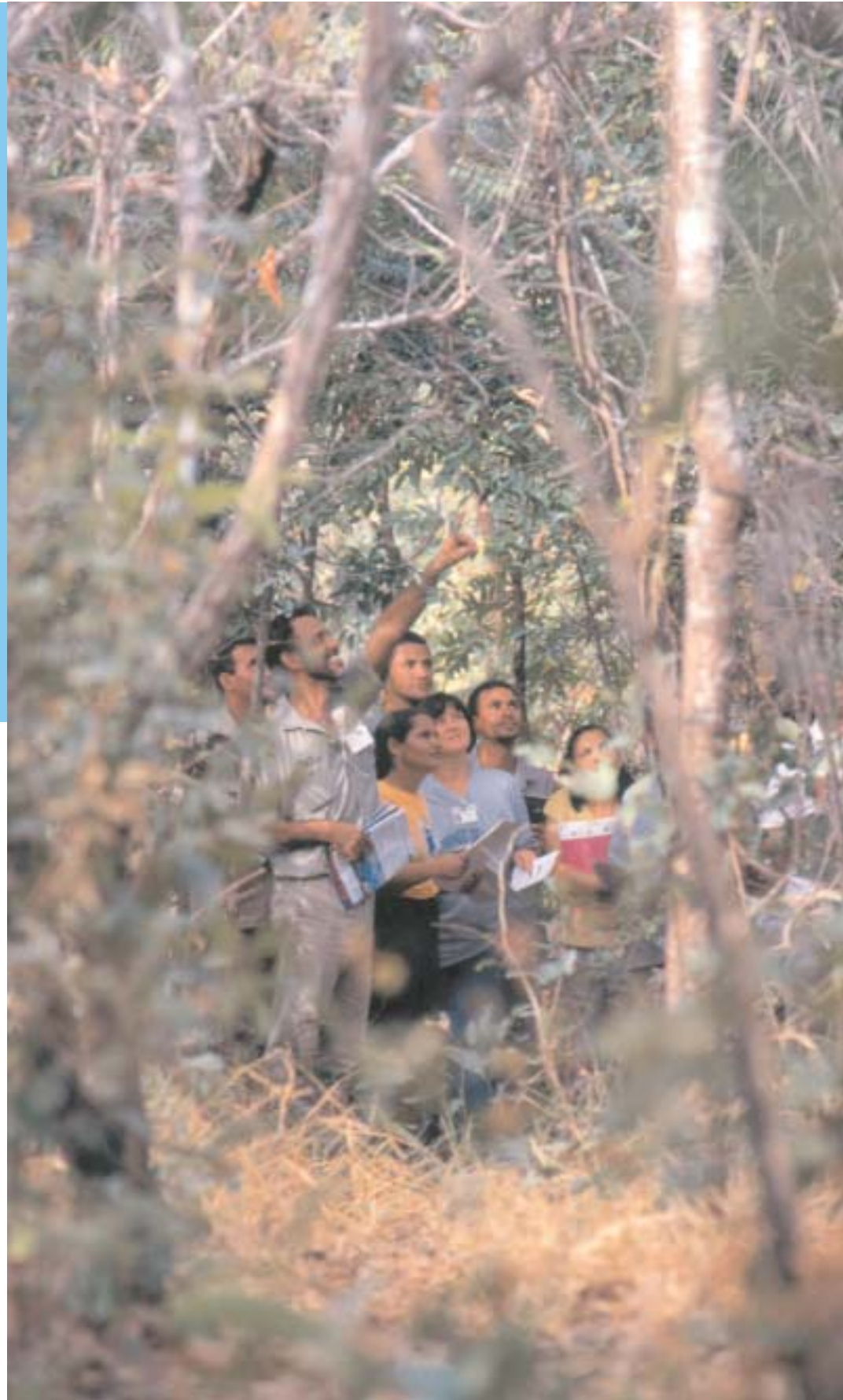
Rio Tinto's biodiversity strategy



Sustaining a natural balance

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Rio Tinto manages operations across a diverse range of ecosystems and climatic types, from the littoral forests of Madagascar through to the arid grasslands of north west Australia.

Message from the chief executive, Leigh Clifford

Effective environmental stewardship is a critical factor for our continued business success. This publication articulates one of our key approaches.

Effects on biodiversity make mining projects a sensitive issue for regulators, local communities, investors and employees. Our long term business depends on our ability to understand these sensitivities and to resolve them equitably.

Over the past five years, Rio Tinto has developed capacity to manage biodiversity issues across the Group, building on many existing examples of good practice. In doing so, we have built strong relationships with conservation organisations and have been in the forefront of work undertaken by the International Council on Mining and Metals (ICMM) with IUCN, the World Conservation Union.

I believe Rio Tinto is a significant and credible partner in contributing to biodiversity conservation. After an initial period of scepticism our approach is increasingly being recognised by conservation organisations. We look forward to continuing to work with interested parties on this important issue, and I encourage conservation organisations to take the opportunities for collaboration we offer.

This document describes our record in engaging with biodiversity as a business issue, profiles the outcomes of our partnership work, and presents the elements of our biodiversity strategy. We welcome engagement with all interested groups who wish to work with Rio Tinto on achieving their aims. If you have any comments please contact us through the details on the back cover.

**“Effective environmental stewardship is a critical factor for our continued business success.”**



**Rio Tinto** is a world leader in finding, mining and processing the earth's mineral resources. To deliver superior returns to shareholders over time, Rio Tinto takes a long term and responsible approach to the Group's business. We concentrate on the development of first class orebodies into large, long life and efficient operations, capable of sustaining competitive advantage through business cycles.

Major products are aluminium, copper, diamonds, energy products (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc and zircon), and iron ore. The Group's activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

## Rio Tinto's biodiversity strategy



### Background

Biodiversity<sup>1</sup> and its management are of strategic importance to Rio Tinto. Worldwide, we work in regions that are recognised and valued locally and globally for their biodiversity resources. The significance of these biodiversity resources continues to increase as human and natural pressures escalate extinction rates and modify habitats. While local and indigenous landowners may not have a term for "biodiversity", they have long understood the interconnectedness of the environment and place great value on livelihood, spiritual and customary resources.

The management of the environment is a complex issue for which we are all responsible. Conservation strategies have involved close liaison and cooperation between traditional landowners and local communities, governments and non government organisations (NGOs). There is now increasing expectation that the private sector should take a role in conservation initiatives.

In 1996 Rio Tinto carried out an internal review of strategic issues that might affect the Group's business prospects in the medium to long term. This review was prompted by recognition that, while operating within the law, the mining industry was collectively failing to meet some expectations of society. Legislation is a lagging indicator of society's expectations, so even full legal compliance falls short of what some key sectors of society expect responsible businesses to achieve.

The risks presented by this shortfall could affect access to the land needed for future mineral development, as well as the supportive social context needed to operate a mine in the long term. The converse of risk is opportunity, and the recognition and reduction of strategic risks bear on our relationships with our neighbouring communities, regulators and other stakeholders, all of which affect our licence to operate.

Biodiversity was one of the issues recognised in the 1996 review. Society's expectations of the industry include reducing the footprint of its activities so that the conservation of habitats and species is compromised as little as possible, while enhancing opportunities for community development and maintaining cultural and heritage values. Accordingly, the enhancement of community development must be addressed and traditional cultural and heritage values maintained.

Our programmes around biodiversity deliver long term business value by enabling us to better understand biodiversity issues and their local and regional social context and then design effective and equitable projects to address these issues. The list of potential benefits is long and contains many elements that apply to all health, safety, environment, community and related policies and programmes. All are expressions of Rio Tinto's commitment to contribute to sustainable development through its businesses.

Rehabilitation and restoration of areas disturbed by mining is a major component in Rio Tinto's biodiversity management programmes.

<sup>1</sup> Biological diversity or biodiversity refers to the variety of life on earth; the different animals, plants and micro-organisms, their genes and the ecosystems of which they are a part.



### Rio Tinto's position statement on biodiversity

Rio Tinto recognises the importance of the conservation and responsible management of biological diversity as a business and societal issue. We aim to have a net positive impact on biodiversity.

We are committed to the integration of biodiversity conservation considerations into environmental and social decision making in the search for sustainable development outcomes. We recognise that this may mean that we do not proceed in some cases.

We want to be biodiversity leaders within the mining industry, for the competitive advantage and reputational benefit this provides. Our performance on biodiversity issues will create benefits for our business. We are committed to:

- The prevention, minimisation and mitigation of biodiversity risks throughout the business cycle.
- Responsible stewardship of the land we manage.
- The identification and pursuit of biodiversity conservation opportunities, and,
- The involvement of communities and other constituencies in our management of biodiversity issues.

## Rio Tinto's biodiversity strategy continued



A Rio Tinto scientist checks 'live traps' as part of a pebble mound mouse *Pseudomys chapmani* research programme. Every year Rio Tinto scientists generate large volumes of biodiversity data. Through initiatives like ECOiSHARE much of this data is being made accessible to the broader conservation community.

### Context of the strategy

Rio Tinto manages more than 80 operations in six geographical regions located in seven different climate zones. The Group is responsible for more than 22,000 square kilometres of land.

Our activities are governed by our statement of business practice *The way we work*. First published in 1998 it was revised in 2003 to include policies that address:

- Communities
- Environment
- Land access
- Political involvement
- Sustainable development
- Employment
- Human rights
- Occupational health
- Safety

These policies recognise the need to manage environmental and social factors in gaining access to land. In all cases, this involves ongoing consultation with local people, public authorities and others. With the recent revision of *The way we work*, the policy on land access was strengthened to recognise the importance of biodiversity in areas of high conservation or heritage value. In late 2003 Rio Tinto further strengthened its commitment to biodiversity with the development of a biodiversity strategy, as well as a position statement, a set of biodiversity principles and a technical guidance document.

The strategy helps to consolidate our response to biodiversity at a global level by building on the work of the Global Mining Initiative and linking together initiatives such as Rio Tinto's role in the International Council on Mining and Metals (ICMM) work on biodiversity and partnerships with some of the world's leading conservation NGOs.

The development of the strategy was managed by a Rio Tinto steering group and supported by an external advisory panel. The internal steering group included senior representatives from Rio Tinto operations as well as Exploration, corporate Health, Safety and Environment, and corporate Community Relations. The external advisory panel consisted of six invited international experts from conservation and community development organisations including some of Rio Tinto's biodiversity partners.

The elements of the Rio Tinto biodiversity strategy have been developed to help our corporate and operational staff improve biodiversity performance through:

- Identification of biodiversity risks and opportunities.
- Development and implementation of biodiversity programmes.
- Recognition of synergies and challenges with sustainable communities programmes.
- Identification and development of strategic and operational partnerships, and,
- Effective corporate assurance.

The strategy provides a framework to bring together the interests and concerns of several groups, including indigenous landowners, affected communities, investors, employees, NGOs, regulators, scientific and finance communities. The active and equitable involvement of these groups in decision making is fundamental to the success of our biodiversity initiatives. Where proposed initiatives enjoy little or no local support, or where some affected communities are disadvantaged, there is little prospect for their long term success. Conversely, where initiatives enjoy broad support from these communities the potential for long term success is greater.

Outputs from the strategy have been designed to provide the policy and guidance framework that will enable Rio Tinto people to maximise the opportunities associated with biodiversity management at business units.

### Guiding principles to support our position

- 1 Rio Tinto aims to have a net positive effect on biodiversity by minimising the negative impacts of its activities and by making appropriate contributions to conservation in the regions in which it operates.
- 2 Rio Tinto is committed to the conservation of threatened and endemic species and high priority conservation areas, and supports local, national and global conservation initiatives.
- 3 Rio Tinto will seek equity and the reconciliation of differing perspectives and ideals in biodiversity decisions and actions.
- 4 Rio Tinto will enhance biodiversity outcomes through consultation, constructive relationships and partnerships with key stakeholders.
- 5 Rio Tinto will integrate the identification, evaluation and management of biodiversity issues into the planning, decision making and reporting processes throughout the business cycle.
- 6 Rio Tinto will apply appropriate expertise and resources to biodiversity issues, building internal and external capacity where necessary.
- 7 Rio Tinto, subject to appropriate consent, promotes the collection, analysis and dissemination of biodiversity information and knowledge.



## Achieving a net positive impact on biodiversity

Our position statement and principles both state that Rio Tinto intends to have a net positive impact on biodiversity.

To deliver against these commitments, it will be necessary for Rio Tinto to demonstrate convincingly that its actions have positive effects on biodiversity conservation that not only balance, but are accepted to outweigh the inevitable negative effects of the physical disturbance and land use changes associated with mining.

We aim to achieve this by reducing impacts and capitalising on conservation opportunities. The contribution of the corporate centre is to consult, both internally and externally, set policy and guidance, conduct work programmes with partner organisations and coordinate the reporting of progress.

The opportunities for minimising negative effects and creating positive effects vary greatly from one site to another. As a first step, Rio Tinto operations use mitigation measures, which include actions designed to avoid, minimise and rectify negative impacts. If, after all measures are taken to mitigate impacts, there is still a net loss of biodiversity then compensation in the form of offsets can be used to bridge, and in some cases exceed, the shortfall.

Irrespective of how committed or successful our conservation efforts are within the fence line of our operations, there is a risk of being associated with the loss of biodiversity in the wider area unless we engage in broader inclusive conservation strategies with communities and other stakeholders.

However Rio Tinto cannot assume sole responsibility for biodiversity protection and conservation. A key challenge therefore is to define where the boundary of responsibilities should be drawn, and on what basis. These issues are addressed in our guidance document.

In embarking on conservation initiatives care must be taken to ensure that initiatives address the views and needs of affected communities. While it is impossible to mandate a particular approach to biodiversity management, as a first principle we aim to develop programmes that achieve the twin goals of biodiversity conservation and sustainable communities.

The conservation of biodiversity through the creation and management of protected areas can be particularly problematic. While in the right circumstances, it is a legitimate conservation option, care is needed to ensure that the rights of local and indigenous people to manage their own lands are not diminished.



“Rio Tinto and Kew have developed an increasingly close relationship over the past few years. This is based around collaboration on research, capacity building and knowledge transfer.”

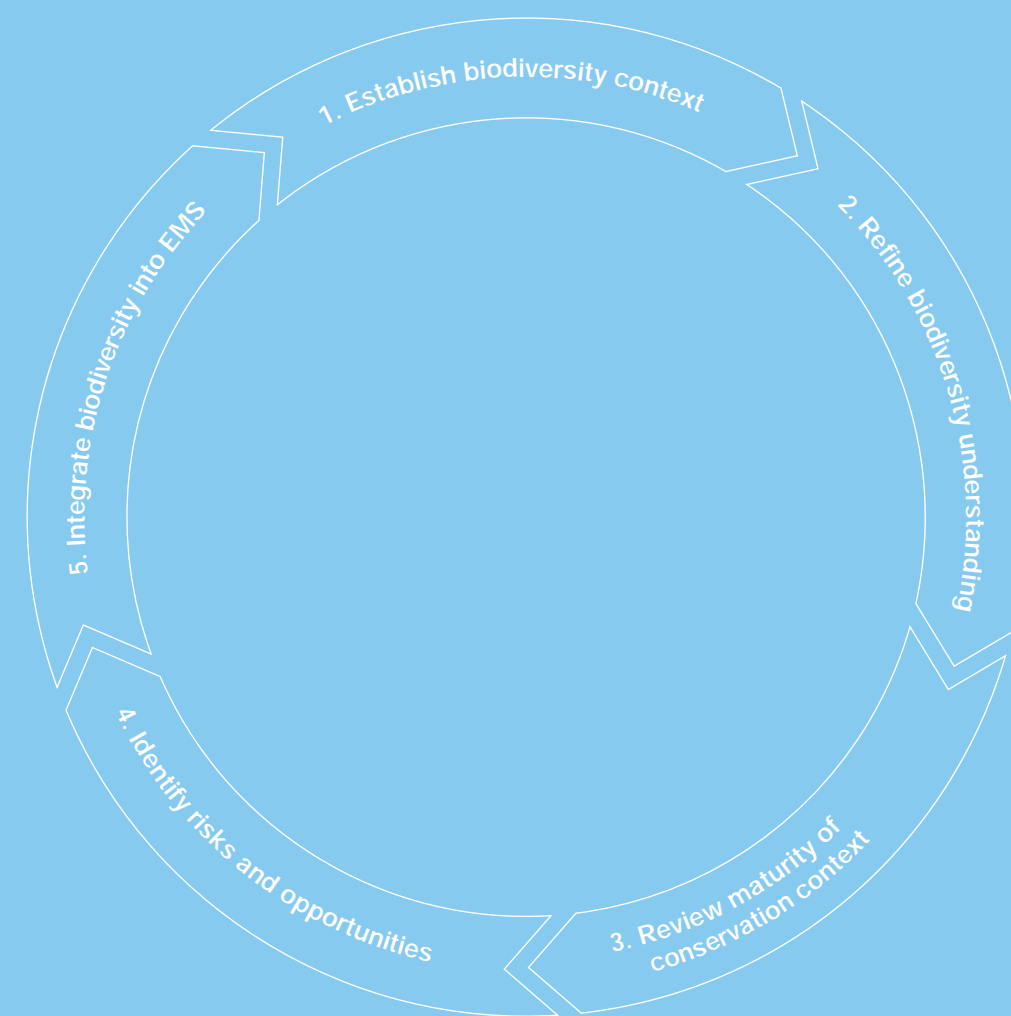
Professor Sir Peter Crane, FRS,  
director Royal Botanic Gardens,  
Kew.

### Potential business benefits flowing from sound biodiversity management

- Shorter and less contentious permitting
- Reduced risks and liabilities
- Better relations with regulators
- Preferred developer status
- Improved community relations
- Improved employee relations



Figure 1. Scope of biodiversity guidance and key stages



- 1 Establish biodiversity context**
  - Undertake desk review.
  - Review status of protected areas.
  - Review legal provisions.
  - Map intersection of operations with biodiversity.
- 2 Refine biodiversity understanding**
  - Conduct initial consultations with conservation groups and communities.
  - Undertake field-survey work.
  - Evaluate biodiversity importance.
- 3 Review maturity of conservation context**
  - State of knowledge of biodiversity.
  - State of conservation planning and enforcement.
  - Intractability of biodiversity threats.
- 4 Identify risks and opportunities**
  - Evaluate risks from operations.
  - Assess external threats to biodiversity.
  - Review opportunities for biodiversity conservation or enhancement.
- 5 Integrate biodiversity into EMS**
  - Define boundaries of responsibility.
  - Reconcile trade-offs.
  - Mitigation versus enhanced conservation.
  - Links to partners, programmes etc.

Wildlife management is a significant biodiversity issue at a large number of Rio Tinto operations.

Rio Tinto has produced a guidance document for its operations, *Sustaining a natural balance: A practical guide to integrating biodiversity into Rio Tinto's operational activities*.

The guidance is designed to help Rio Tinto staff evaluate, assess and manage biodiversity issues on their sites. It helps them work with their neighbouring community and other interested groups, determine when external specialists are needed and set priorities for action. It is the role of management, at the site and business level, to transform its analysis into a commitment by the company. The guide is not prescriptive, and allows biodiversity actions to be tailored to the local conservation context and opportunities.

**The guide assists managers to:**

- Assess and evaluate biodiversity in and around their operations.
- Establish appropriate mitigation to reduce impacts.
- Identify opportunities to protect or enhance biodiversity.
- Integrate different perspectives, global and local, into the assessment and management.
- Develop synergies between business unit biodiversity programmes and external local and regional environmental programmes.
- Optimise linkages between operational biodiversity and community relations programmes.

The overall approach to biodiversity management is illustrated in Figure 1, which identifies some key stages or processes that are applicable to the broad areas the guidance addresses. The guidance has been designed to be adaptable to a range of operational

realities, from the blank slate of a greenfield exploration project to care and maintenance after mine closure.

The guidance also illustrates how biodiversity may be integrated into the Environmental Impact Assessment (EIA), Environmental Management Systems (EMS) and community relations procedures such as the *Five year communities plans*, baseline community assessments and consultation. The timing and level of effort associated with the activities addressed in the guidance will vary depending on a range of factors that relate to the operational context.

Rio Tinto operations in the initial stages of exploration are frequently located in areas of potentially high value for biodiversity. Against a background of local community perspectives the challenge is to effectively integrate biodiversity into project decision making, by avoiding and mitigating adverse biodiversity impacts through a proper understanding of risks and exploring opportunities for biodiversity conservation and protection.

At existing operations with well defined mining plans and where biodiversity has been changed, the challenge is to map residual biodiversity, and explore potential opportunities for enhancement or creative conservation with communities and appropriate partners. The anticipated level of effort for the two scenarios is markedly different, as is highlighted at the beginning of each section of the guidance.

## The role of partnerships

“Partnership is about mutuality of trust, responsiveness, and the exchange of skills to allow a positive outcome for conservation. This is embodied by the Fauna & Flora International – Rio Tinto partnership which operates at a range of levels – from the development of a corporate biodiversity strategy to implementation of that strategy on the ground. From our perspective, working with Rio Tinto not only helps us to meet our core aim of conserving biodiversity worldwide, but also gives us access to some of the skills needed to operate more effectively as an organisation.”

Mark Rose, chief executive officer, Fauna and Flora International

Rio Tinto's biodiversity partnership programme has been a catalyst for the development of the Rio Tinto strategy to address issues around biodiversity.

Recognising that biodiversity is an issue we cannot address on our own, Rio Tinto first began discussions with a wide range of environmental and conservation NGOs in 1996.

Initially, the objective of this engagement was to better understand biodiversity issues from society's perspective in order to prioritise Rio Tinto's efforts.

But as we started to work together, both Rio Tinto and those we engaged with learnt that very different organisations can find common goals and provide leadership in biodiversity management by pooling their skills and expertise. Areas of mutual interest around biodiversity were soon identified as well as a willingness to work together in addressing these issues within the framework of a partnership.

At the same time as partnership programmes were being developed and implemented, Rio Tinto recognised the need for a Group wide strategy to enable our businesses to manage biodiversity in the long term.

Some of Rio Tinto's partners worked to help us better understand the issues we needed to consider when developing a Group wide strategy. Others are now helping to develop and implement these programmes to ensure we meet our commitments.

The strength and depth of partnership relationships has allowed collaboration and sharing of information in ways that were not previously contemplated.

By partnering with environmental and conservation NGOs, Rio Tinto seeks specialist skills and expertise on biodiversity and conservation issues; access to broader networks of conservationists and scientists; and outside recognition of its commitment to environmental stewardship and biodiversity management.

Rio Tinto contributes to the partnerships through the provision of financial resources, access to lands, and the skills and expertise of our staff including environmental, pastoral lease, community relations, indigenous training and employment, science and technology managers.

Rio Tinto's biodiversity partners include the Australian Museum, BirdLife International, Conservation Volunteers Australia, Earthwatch, the Eden Project, Fauna and Flora International, Royal Botanic Gardens Kew and UNEP-WCMC.



### The business case for partnership

Rio Tinto recognises that serious and professional engagement with our stakeholders is a critical element of successful business practice.

We acknowledge that expectations of us continue to grow, particularly with respect to such issues as environmental stewardship, sensitivity to social needs in the areas where we operate and corporate social responsibility in general.

The partnership approach is one way that enables us to have ongoing engagement with community and NGO organisations to identify and address areas of common interest.

By working in partnership, Rio Tinto is better able to understand what society's expectations of us are, while also improving our performance across a range of issues.

Partnerships also enable Rio Tinto to implement programmes and projects to address issues that we would be unable to address on our own.

### Partnership outcomes to date

	Policy development	Research & assessment	Programme development/ implementation	Mitigation/ rehabilitation	Knowledge transfer	Mutual capacity building	Stakeholder involvement	Employee volunteer opportunities
Australian Museum			•	•	•	•	•	•
BirdLife International	•	•	•	•	•	•	•	•
Conservation Volunteers Australia			•		•	•	•	•
Earthwatch	•	•	•		•	•	•	•
The Eden Project	•	•	•	•	•	•		
Fauna and Flora International	•	•	•	•	•	•	•	•
Royal Botanic Gardens Kew		•	•	•	•	•	•	•
UNEP-WCMC		•			•			

## The way forward

Rio Tinto's biodiversity strategy has evolved from a period of learning and we are still learning. We would like to pay special tribute to Colin Bibby of BirdLife International who tragically passed away before he could see the product of his guidance, drive and endeavour.

Our commitment to addressing biodiversity risks and opportunities throughout the mining cycle from exploration to closure, and our aim to achieve a net positive effect, are clearly stated in our position statement and principles. These also commit us to working with others to achieve equitable, sustainable outcomes from our actions.

There are still many challenges ahead, and many opportunities for others to work with us to show that mining development and biodiversity conservation can simultaneously benefit communities and economies in a sustainable way.

**Elaine Dorward-King**  
Head of Health, Safety and Environment

Globally Rio Tinto manages in excess of 22,000 square kilometres of land, of which only seven per cent is used for the purpose of mineral development.

