

## CDP 2009 Information Request

Respondent: Rio Tinto

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## General introduction

## Risk and Opportunities

## 1. Regulatory Risks: (CDP6 1(a)(i))

1.1 Is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks.

Rio Tinto has an in-house system of risk management that applies throughout the company to identify operational risk and opportunity. The process is coordinated by Group risk management, however the process owners are the heads of the Product Groups, Business Units and Operating Sites.

The outcome of the process is a risk register for each part of the business, which is used as a management tool. The rating of risks is conducted through a standardised matrix taking into account probability and outcome. Depending on the category of risk, measures used to rate the consequence of risk include operating cost, capital expenditure, project timing and reputational impact. Probability is quantified as the likely frequency of occurrence (e.g. once in ten years). Using the matrix the risk is then quantified or rated as being either critical, high, medium or low.

The process is typically monitored and updated through the regular revision of the risk matrix.

It is the responsibility of the Business Unit leader to communicate the risks to the organisation. Group-wide risks are disclosed in the annual report.

As part of this process regulatory risks posed by climate change have been identified as a high or critical risk and this has been disclosed in the Group annual report.

The degree to which these affect the business are assessed in the following ways:

1. A global and regional policy review, including external experts, assesses the likely regulatory trends
2. A trajectory analysis assesses the Group's forecast emissions per jurisdiction
3. Business modelling is then used to assess the cost of various policy scenarios at business unit level
4. Large projects are required to do a sensitivity analysis using various regulatory scenarios which will lead to carbon costs

The financial impact of these risks is assessed, however the estimated value is confidential.

These risks could affect the business in the following ways:

- A direct, material, cost to the business units through the imposition of a carbon tax or emissions trading scheme. This includes the cost of renewable energy certificates. The financial impact is estimated to be a net present cost of greater than \$1 billion.
- Putting the business in a competitive disadvantage due to poorly designed regulations or trading schemes which do not consider the implications for Energy Intensive Trade Exposed industries and carbon leakage.
- The international trade in our products could be affected by the introduction of border carbon adjustments and other related measures.

The impact on the value chain includes the following:

- As a large coal producer, regulation which does not support lower emissions coal use could affect our customers.
- As a large uranium producer there is a positive risk from regulation that supports the expansion of nuclear power.
- As a large aluminium producer, regulations related to vehicle emissions and recycled content could affect consumption trends of our products.

The geographical areas and timescales over which we expect these to materialise:

- EU: currently exposed with an increased exposure from 2013
- Australia and New Zealand: likely exposure from 2010
- US: Exposure from 2011 or 2012 onwards
- Canada: currently exposed with increased exposure from 2012
- Other countries: exposure from 2015 to 2020

The actions the company has taken are as follows:

An Energy and Climate Strategy team has been formed at Group level to develop a comprehensive strategy, which includes:

- Engaging directly with policymakers and advocating for economically and environmentally sound climate policy, in Australia, the US, the EU, Canada and New Zealand.
- Analysing the commercial and financial implications of regulatory risks
- Engaging in collaborative efforts, such as the US Climate Action Partnership and various industry bodies.
- Sponsoring research and development with the aim of understanding emissions trajectories and the implications of government policy.
- Improving the energy efficiency and emissions performance of the Group

Our view is that the risks have increased in the past 12 months due to the further development of climate legislation, most notably for our business in Australia and the US.

## Further information

## 2. Physical Risks: (CDP6 1(a)(ii))

2.1 Is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks.

Rio Tinto has an in-house system of risk management that applies throughout the company to identify operational risk and opportunity.

To assess the physical risks associated with climate change a climatological model is used, developed by academics associated with the University of Oklahoma. A high resolution model has been developed for more than 20 sites, to assess the affect of climate change on factors such as precipitation, extreme weather events and ambient temperature.

The current and anticipated risks are myriad, but often include:

- Changes to water supply to a mining operations
- The increased frequency of extreme weather events, such as tropical cyclones
- Changes to the stability of the permafrost and winter ice conditions at sub-arctic operations
- Sea level rises

Some of the ways in which these risks could potentially impact the business include:

- Interruptions to operations and shipping due to extreme weather events. Operations such as our extensive iron ore mining and logistics operations in Western Australia have been subject to disruptions due to tropical cyclones. Flooding has recently occurred in the coal mining areas of Queensland.
- Interruptions to operations due to a lack of water for processing or hydro-power. Rio Tinto's aluminium business has significant hydropower generating capacity.
- Supply chain disruptions due to the thawing of winter ice roads. One of our operations in the sub-artic is dependant on the supply of materials during the winter using an ice road.
- There could conceivably be financial impacts due to the ability to obtain insurance or re-insurance.

The geographical areas analysed include the Australian east coast, Western Australia and selected sites in Indonesia, Africa and North America.

Timelines: Many of these risks are already materialising and the impact is expected to increase over the next 20 to 30 years.

Each operating site for which a climatological model has been developed, uses these results in their risk management process. In the case of projects these results are considered in the formal technical review which is conducted prior to the approval of large projects. Some of the ways in which operating sites adapt to the risk of climate change include:

- Including the results of the modelling in water management programs
- Ensuring engineering design is sufficiently robust for extreme weather events
- Mitigation plans for operations that rely on ice roads

Our view is that the risks have marginally increased over the last twelve months, with extreme weather events providing anecdotal evidence.

Further information

### 3. Other Risks: (CDP6 1(a)(iii))

3.1 Is your company exposed to other risks as a result of climate change?

We consider our company to be exposed to other risks.

Rio Tinto has an in-house system of risk management that applies throughout the company to identify operational risk and opportunity. The process is coordinated by Group risk management, however the process owners are the heads of the Product Groups, Business Units and Operating Sites.

The outcome of the process is a risk register for each part of the business, which is used as a management tool. The rating of risks is conducted through a standardised matrix taking into account probability and outcome. Depending on the category of risk, measures used to rate the consequence of risk include operating cost, capital expenditure, project timing and reputational impact. Probability is quantified as the likely frequency of occurrence (e.g. once in ten years). Using the matrix the risk is then quantified or rated as being either critical, high, medium or low.

The process is typically monitored and updated through the regular revision of the risk matrix.

It is the responsibility of the Business Unit leader to communicate the risks to the organisation. Group-wide risks are disclosed in the annual report.

A risk exists that Rio Tinto's reputation could be affected, should climate change issues not be managed adequately. It is not possible to quantify the financial implications of this risk.

All geographical areas are affected as this risk affects both our operations and markets. However the risk is most acute in developed nations.

Timelines: The risk already exists, however it is expected to increase over the next five to ten years.

Response: The company has a programme of stakeholder engagement, which includes advocating for sound climate change policy as well as detailing the Group's Energy and Climate strategy. We also advocate for the advancement of low emissions coal technology such as CCS. Rio Tinto has spent more several million dollars on the development of carbon capture and storage projects.

With the advent of climate change legislation in an increased number of jurisdictions in the last twelve months, this risk has marginally increased.

Further information

### 4. Regulatory Opportunities: (CDP6 1(b)(i))

4.1 Do regulatory requirements on climate change present opportunities for your company?

Regulatory requirements present opportunities for my company.

Regulatory opportunities are assessed through the risk management process described in section 1.1.

The regulatory opportunities for the business and the value chain include the following:

- As one of the largest uranium producers, regulation will lead to the increased use of nuclear power.

- As a cost of carbon is imposed on industry, Rio Tinto's large hydropower aluminium smelters will have a competitive advantage.
- As an investor in the development of carbon capture and storage, this will strategically position the business in the future.

Increased revenue and value projections for these opportunities have been assessed through business modelling but are confidential.

The geographical areas and timescales are the same as for question 1.1:

The timescales over which we expect these to materialise:

- EU: currently exposed with an increased exposure from 2013
- Australia and New Zealand: likely exposure from 2010
- US: Exposure from 2011 or 2012 onwards
- Canada: currently exposed with increased exposure from 2012
- Other countries: exposure from 2015 to 2020

To respond to these opportunities the company continues to invest in technology and products that will position it for a carbon constrained world. This includes investing in the expansion of uranium mining operations. Rio Tinto continues to invest in developing and maintaining its hydropower capacity, with projects announced in the last 12 months.

The opportunity for increased uranium demand has improved marginally over the last twelve months.

Further information

[http://cdp.cdproject.net/attachedfiles/Responses/53672/7714/Media releases - Rio Tinto to invest US\\$228 million in clean hydropower upgrade in Quebec - Rio Tinto.mht](http://cdp.cdproject.net/attachedfiles/Responses/53672/7714/Media%20releases%20-%20Rio%20Tinto%20to%20invest%20US$228%20million%20in%20clean%20hydropower%20upgrade%20in%20Quebec%20-%20Rio%20Tinto.mht)

## 5. Physical Opportunities: (CDP6 1(b)(ii))

5.1 Do physical changes resulting from climate change present opportunities for your company?

Physical changes present opportunities for my company.

Physical opportunities are assessed through the risk management process described in section 2.1.

The only opportunity identified is that there may be areas where increased rainfall may be advantageous for hydropower generation. This opportunity is assessed when evaluating projects and using the climatological model discussed in section 1.2.

The financial implications have not been assessed. The relevant geographical areas are Asia, Africa and North America.

The opportunity will present itself in the next 20 to 30 years.

These opportunities are being assessed, however there have been no significant financial commitments to exploit such an opportunity.

The opportunities have not changed in the last twelve months.

Further information

## 6. Other Opportunities: (CDP6 1(b)(iii))

6.1 Does climate change present other opportunities for your company?

Climate change presents other opportunities for my company.

Other opportunities are assessed through the risk management process described in section 3.1

The other opportunities for the business and the value chain relate to the deployment of technology. Rio Tinto Alcan is a leader in the development of energy efficient aluminium smelting technology. In an energy and carbon constrained world, operating and selling this technology will become a competitive advantage.

Increased revenue and value projections for these opportunities have been assessed.

Technology sales could take place in most geographic areas, with development centred in Quebec and France.

To respond to these opportunities the company continues to invest in technology and products that will position it for a carbon constrained world. This includes committing several hundred million dollars in deploying the latest "AP" aluminium smelting technology in the Saguenay region of Quebec.

The opportunity has not changed significantly over the last twelve months.

Further information

Greenhouse Gas (GHG) Emissions Accounting, Emissions Intensity, Energy and Trading

## 7. Reporting Year (CDP6 Q2(a)(ii))

Information about how to respond to this section may be found in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)"

developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol"), see <http://www.ghgprotocol.org/>. ISO 14064-1 is compatible with the GHG Protocol as are a number of regional/national programme protocols. For more information see <http://www.ghgprotocol.org/> and use the guidance button above.

Please provide CDP with responses to questions 7, 8, 9, 10.1, 10.2, 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last.

Questions 10.1, 10.2, 11.1, and 11.2 are on subsequent webpages and the dates that you give in answer to question 7 will be carried forwards to automatically populate those webpages.

7.1. Please state the start date and end date of the year for which you are reporting GHG emissions.

Start date: 01 January 2008  
End date: 31 December 2008  
Financial accounting year: 01 January 2008

8. Reporting Boundary: (CDP6 Q2(a)(i))

8.1. Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Companies over which operational control is exercised.

8.2. Please state whether any parts of your business or sources of GHG emissions are excluded from your reporting boundary.

Rio Tinto Alcan Packaging and Engineered Products businesses have been earmarked for divestment and have been excluded from 2008 data. Any operation that does not emit more than 3 kt CO<sub>2</sub>e of emissions per annum is excluded.

9. Methodology: (CDP6 Q2(a)(iii))

9.1. Please describe the process used by your company to calculate Scope 1 and Scope 2 GHG emissions including the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 GHG emissions.

Please provide your answer in the text box. In addition to this description, if relevant, select a methodology from the list of published methodologies. This will aid automated analysis of the data.

Emissions and energy use data is collated from more than 100 operating and project sites across the globe, and verified and reported centrally by the Group. Data is verified externally as part of the SD assurance process.

Rio Tinto's methods have been developed internally but are based on the most up to date reporting and methodological covenants available, including the IPCC and WBCSD methods.

Of Rio Tinto's operating sites 74% of the emissions are covered by sites that have a detailed or intermediate level of measurement.

Emissions factors, including coal seam methane emissions, specified by the local regulatory bodies are used. Contractual grid factors are used to determine scope 2 emissions.

Select methodologies:

ISO 14064-1  
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Please also provide:

9.2 Details of any assumptions made.

The methodologies have been aligned with the Australian National Greenhouse and Energy Reporting Act (NGER).

Transport of products by a third party are not included in direct or indirect emissions.

Energy consumption and on-site emissions by contractors are included.

9.3 The names of and links to any calculation tools used.

The GHG Protocol:  
<http://www.ghgprotocol.org/calculation-tools>

Select calculation tools:

GHG Protocol - GHG emissions from the production of aluminium 2.0 March 2008  
GHG Protocol - Indirect CO<sub>2</sub> emissions from purchased electricity 3.0 March 2008  
GHG Protocol - Indirect CO<sub>2</sub> emissions from Purchased Electricity, Heat, or Steam 2.0 March 2008

9.4 The global warming potentials you have applied and their origin.

CO2 1  
Methane 21  
PFC CF4 6500  
PFC C2F6 9200  
Nitrous oxide 310  
SF6 23900  
HFCs Various factors

Climate change 1995, the Science of Climate Change; Contribution of Working Group I to the second Assessment of the IPCC, JT Houghton et al, Cambridge Univ Press.

9.5 The emission factors you have applied and their origin.

Two emissions factors that have a large impact of total emissions are :  
black coal 90 kgCO2e per GJ and anthracite 114 kg CO2e per GJ

For most businesses the emissions factors supplied by the Australian government Department of Climate Change (Nov 2008) are used.

Further information

## 10. Scope 1 Direct GHG Emissions: (CDP6 Q2(b)(i))

Instructions for question 10 and question 11 (following page)

When providing answers to questions 10 and 11, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

Please answer the following questions using Table 1.

Please provide:

10.1. Total gross global Scope 1 GHG emissions in metric tonnes of CO<sub>2</sub>-e

Please break down your total gross global Scope 1 emissions by:

10.2. Country or region

Please provide CDP with responses to questions 10.1 and 10.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 1 (below) and table 5 (Q11.1 and 11.2) will be automatically populated with the dates that you give in answer to 7.1.

Electric utilities should report emissions by country/region using the table in question EU3.

Table 1 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
10.1 Total gross global Scope 1 GHG emissions in metric tonnes CO <sub>2</sub> -e	30300000
<b>10.2 Gross Scope 1 emissions in metric tonnes CO<sub>2</sub>-e by country or region</b>	
Australia	11000000
Canada	7700000
United Kingdom	3500000
USA	3100000
South Africa	1300000
France	1200000
New Zealand	600000
Cameroon	600000
China	500000
Iceland	300000
Guinea	300000
Rest of World	200000

Your answer to question 10.1 will be automatically carried forward to tables 2 and 3 below if you add a country or region in answer to 10.2 or press "Save" at the end of the page.

Please tick the box if your total gross global Scope 1 figure (Q10.1) includes emissions that you have transferred outside your reporting boundary (as given in answer to 8.1). Please report these transfers under 13.5.

Total gross global Scope 1 figure includes emissions that you have transferred outside your reporting boundary

Where it will facilitate a better understanding of your business, please also break down your total global Scope 1 emissions by:

10.3. Business division

and/or

10.4. Facility

10.3. Business division (only data for the current reporting year requested)

Table 2 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 1 Metric tonnes CO2-e
<b>Total gross global Scope 1 GHG emissions in metric tonnes CO<sub>2</sub>-e - answer to question Q10.1</b>	<b>30300000</b>
Iron ores	4500000
Copper	2200000
RTA	17100000
Energy and Minerals	6500000

10.4. Facility (only data for the current reporting year requested)

Table 3 - Please use whole numbers only.

Facilities - Enter names below	Scope 1 Metric tonnes CO2-e
<b>Total gross global Scope 1 GHG emissions in metric tonnes CO<sub>2</sub>-e - answer to question Q10.1</b>	<b>30300000</b>

10.5. Please break down your total global Scope 1 GHG emissions in metric tonnes of the gas and metric tonnes of CO<sub>2</sub>-e by GHG type. (Only data for the current reporting year requested.)

Table 4 - Please use whole numbers only.

Scope 1 GHG Type	Unit	Quantity
CO <sub>2</sub>	Metric tonnes	25800000
CH <sub>4</sub>	Metric tonnes	103000
CH <sub>4</sub>	Metric tonnes CO <sub>2</sub> -e	2170000
N <sub>2</sub> O	Metric tonnes	
N <sub>2</sub> O	Metric tonnes CO <sub>2</sub> -e	
HFCs	Metric tonnes	
HFCs	Metric tonnes CO <sub>2</sub> -e	
PFCs	Metric tonnes	340
PFCs	Metric tonnes CO <sub>2</sub> -e	2300000
SF <sub>6</sub>	Metric tonnes	
SF <sub>6</sub>	Metric tonnes CO <sub>2</sub> -e	

10.6. If you have not provided any information about Scope 1 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 1 GHG emissions information in future.

Further information

## 11. Scope 2 Indirect GHG Emissions: (CDP6 Q2(b)(i))

Important note about emission factors where zero or low carbon electricity is purchased:

The emissions factor you should use for calculating Scope 2 emissions depends upon whether the electricity you purchase is counted in calculating the grid average emissions factor or not – see below. You can find this out from your supplier.

Electricity that IS counted in calculating the grid average emissions factor:

Where electricity is sourced from the grid and that electricity has been counted in calculating the grid average emissions factor, Scope 2 emissions must be calculated using the grid average emissions factor, even if your company purchases electricity under a zero or low carbon electricity tariff.

Electricity that is NOT counted in calculating the grid average emissions factor:

Where zero or low carbon electricity is sourced from the grid or otherwise transmitted to the company and that electricity is not counted in calculating the grid average, the emissions factor specific to that method of generation can be used, provided that any certificates quantifying GHG-related environmental benefits claimed for the electricity are not sold or passed on separately from the electricity purchased.

[Click here](#) to see the instructions from the previous page on answering question 11.

Please answer the following questions using Table 5.

Please provide:

11.1. Total gross global Scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>-e.

Please break down your total gross global Scope 2 emissions by:

11.2. Country or region

Please provide CDP with responses to questions 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 5 will be automatically populated with the dates that you gave in answer to 7.1.

Table 5 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
11.1 Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e	20000000
<b>11.2 Gross Scope 2 emissions in metric tonnes CO<sub>2</sub>-e by country or region</b>	
Australia	9000000
USA	3900000
South Africa	3100000
China	3500000
United Kingdom	500000
France	600000

Your answer to 11.1 will be automatically carried forward to tables 6 and 7 below if you add a country or region in answer to 11.2 or press "Save" at the end of the page.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 2 emissions by:

11.3. Business division

and/or

11.4. Facility

11.3. Business division (only data for the current reporting year requested)

Table 6 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 2 Metric tonnes CO <sub>2</sub> -e
<b>Total gross global Scope 2 GHG emissions in metric tonnes CO<sub>2</sub>-e - answer to question Q11.1</b>	<b>20000000</b>
Rio Tinto Alcan	15400000
Iron ores	70000
Energy and Minerals	3500000
Copper	1100000

11.4. Facility (only data for the current reporting year requested)

Table 7 - Please use whole numbers only.

Facilities - Enter names below	Scope 2 Metric tonnes CO <sub>2</sub> -e
Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q11.1	20000000

11.5. If you have not provided any information about Scope 2 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 2 GHG emissions information in future.

Further information

## 12. Contractual Arrangements Supporting Particular Types of Electricity Generation: (CDP6 Q2(b)(i)- Guidance)

12.1. If you consider that the grid average factor used to report Scope 2 emissions in question 11 does not reflect the contractual arrangements you have with electricity suppliers, (for example, because you purchase electricity using a zero or low carbon electricity tariff), you may calculate and report a contractual Scope 2 figure in response to this question, showing the origin of the alternative emission factor and information about the tariff.

The contractual arrangements are reflected in the scope 2 emissions.

12.2. If you retire any certificates (eg: Renewable Energy Certificates) associated with zero or low carbon electricity, please provide details.

The Group retired around 30000 certificates during the year. This was for managed power generation facilities. However the Group was a net generator of certificates, from hydropower plants in the UK.

Further information

## 13. Scope 3 Other Indirect GHG Emissions: (CDP6 Q2(c))

For each of the following categories, please:

- Describe the main sources of emissions.
- Report emissions in metric tonnes of CO<sub>2</sub>-e,
- state the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Notes about question 13

When providing answers to question 13, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

### 13.1 Employee business travel

Describe the main sources of emissions

Employee business travel includes business air travel as well as charters for fly-in-fly-out operations.

Emissions in metric tonnes CO<sub>2</sub>-e.

In the order of 100 000 tonnes CO<sub>2</sub>e

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Assumptions and methodology: Business travel is not consider a material source of emissions for the business, compared with the energy intensive smelting and refining operations. The value quoted is an estimate and is not subject to the same rigorous verification as process emissions.

No rigorous database is kept of air travel.

For Australian businesses, the actual air miles emissions factor used by Qantas has been used as the basis for estimates.

The global warming potential for CO<sub>2</sub> is 1, methane is 21 and N<sub>2</sub>O is 310 (source IPCC).

### 13.2. External distribution/logistics

Describe the main sources of emissions

The three main sources are emissions from outbound logistics managed by Rio Tinto, from outbound logistics managed by third parties and from inbound logistics.

Emissions in metric tonnes CO<sub>2</sub>-e.

6 800 000 tonnes CO<sub>2</sub>e

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Assumptions and methodology: A nominal transport distance is assumed for each class of shipment.

Calculation tools and databases: Internal databases are used for recording sales volumes. Emissions factors for the different types of shipping range from 0.004 to 0.015 kg/t.km (Source- CSIRO Minerals 2002)

The global warming potential for CO<sub>2</sub> is 1, methane is 21 and N<sub>2</sub>O is 310 (source IPCC).

### 13.3 Use/disposal of company's products and services

For auto manufacture and auto component companies – please refer to the additional questions for these sectors before completing question 13.3.

Describe the main sources of emissions

The main sources of emissions from the use of our products are the combustion of coal and conversion of iron ore to steel.

Emissions in metric tonnes CO<sub>2</sub>-e.

359 000 000 tonnes CO<sub>2</sub>e from the combustion of coal

286 000 000 tonnes CO<sub>2</sub>e from the processing of iron ore to steel.

There may be some overlap in the two estimates due to metallurgical coal used in the production of steel.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

The emissions from the use of our products is estimated by applying an emissions factor to the annual output of the iron ore and coal mines.

The emissions factor for iron ore is 2.3 t CO<sub>2</sub>e per tonne of steel, and for coal 2.8 tCO<sub>2</sub>e per tonne used.

The source of these emissions factors is a 2002 study conducted by the CSIRO Minerals Australia.

The global warming potential for CO<sub>2</sub> is 1, methane is 21 and N<sub>2</sub>O is 310 (source IPCC).

### 13.4 Company supply chain

Describe the main sources of emissions

Emissions from the production and supply of explosives, liquid fuels, caustic soda and natural gas.

Emissions from purchased electricity associated with the extraction, production and fuel burned at generation and the indirect emissions associated with the electricity lost in delivery in the network.

Emissions in metric tonnes CO<sub>2</sub>-e.

5 655 000 tonnes CO<sub>2</sub>e

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Emissions factors for scope 3 emissions were estimated by a study, commissioned in-house and conducted by Energetics. The emission factor for caustic soda production is 2.06 tCO<sub>2</sub>e/t and for explosives 1.5 tCO<sub>2</sub>e/t.

Scope 3 emission factors for the production of liquid fuels and natural gas is sourced from the Australian Government (Department of Climate Change) National Greenhouse Accounts Factors (Nov 2008).

These factors were also applied to non-Australian businesses.

### 13.5 Other

If you are reporting emissions that do not fall into the categories above, please categorise them into transferred emissions and non-transferred emissions (please see guidance for an explanation of these terms).

Please report transfers in the first three input fields and non-transfers in the last three input fields.

#### Transfers

Describe the main sources of emissions

Emissions from power stations over which we have operational control, export a small amount of power to the relevant grids.

#### Transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

1150000 tonnes CO<sub>2</sub>e

#### Transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Power sold to the grid is accurately measured and recorded by the operations.

Since these power stations are operated ourselves, the emissions factors are known and are in the order of 0.98 to 1.0 tCO<sub>2</sub>e /MWh.

The global warming potential for CO<sub>2</sub> is 1, methane is 21 and N<sub>2</sub>O is 310 (source IPCC).

#### Non-transfers

Describe the main sources of emissions

#### Non-transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

#### Non-transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

13.6 If you have not provided information about one or more of the categories of Scope 3 GHG emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 3 indirect emissions information in future.

Further information

### 14. Emissions Avoided Through Use Of Goods And Services (New for CDP 2009)

14.1. If your goods and/or services enable GHG emissions to be avoided by a third party, please provide details including the estimated avoided emissions, the anticipated timescale over which the emissions are avoided and the methodology, assumptions, emission factors (including sources), and global warming potentials (including sources) used for your estimations.

Rio Tinto is one of the world's largest supplier of uranium, used in the production of low carbon power generation. The energy value of uranium mined by the Group in 2008 was 4400 PJ. (Source: Estimated based on data from Energy in Australia DRET 2008). If this energy had to be supplied using coal fired power it would have generated emissions of around 400 million tonnes CO<sub>2</sub>e during the year.

The use of borate improves the performance of insulation fibreglass. The European Insulation Manufacturers Association published a life cycle assessment stating that for every BTU used in manufacturing insulation fibreglass, 12 BTUs are saved in the first year of installation.

The use of HAR talc in motor vehicles improves fuel efficiency. 6 t CO<sub>2</sub>e is saved for every 1 tonne of HAR talc used.

Rio Tinto Alcan' AP series smelting technology, which is sold to third parties, is of the most efficient in the industry.

Rio Tinto is a joint venture partner with BP in Hydrogen Energy. Hydrogen Energy is developing two carbon capture and storage projects, which will each capture and store between 1.7 and 2.0 million tonnes of CO<sub>2</sub> per year. The projects are targeted for completion by 2013 and 2014 respectively.

The timescale involved in all projects is multiple decades.

Further information

15. Carbon Dioxide Emissions from Biologically Sequestered Carbon: (New for CDP 2009)

An example would be carbon dioxide from burning biomass/biofuels.

15.1. Please provide the total global carbon dioxide emissions in metric tonnes CO<sub>2</sub> from biologically sequestered carbon.

Emissions in metric tonnes CO<sub>2</sub> - Please use whole numbers only

44400

Further information

16. Emissions Intensity: (CDP6 Q3(b))

16.1. Please supply a financial emissions intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

Total (scope 1 and 2) emissions per dollar of earnings (EBITA)

16.1.1. Give the units. For example, the units could be metric tonnes of CO<sub>2</sub>-e per million Yen of turnover, metric tonnes of CO<sub>2</sub>-e per US\$ of profit, metric tonnes of CO<sub>2</sub>-e per thousand Euros of turnover.

tonnes CO<sub>2</sub>e / US\$1000 EBITDA

16.1.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

2.1

16.2. Please supply an activity related intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

Total emissions (scope 1 and 2) per tonne of product

16.2.1. Give the units e.g. metric tonnes of CO<sub>2</sub>-e per metric tonne of output or for service sector businesses per unit of service provided.

tonne CO<sub>2</sub>e / tonne product

16.2.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

0.116

Further information

17. Emissions History: (CDP6 Q2(f))

17.1. Do emissions for the reporting year vary significantly compared to previous years?

No - Please go to question 18.

If the answer to 17.1 is Yes:

17.1.1. Estimate the percentage by which emissions vary compared with the previous reporting year.

This box will accept numerical answers containing a decimal point. Please use "." not ",", i.e. write 10.6, not 10,6.

Have the emissions increased or decreased?

Further information

The Group's total emissions increased significantly in 2007 with the acquisition of Alcan inc. Variation from 2007 to 2008 was not significant.

#### 18. External Verification/Assurance: (CDP6 Q2(d))

18.1. Has any of the information reported in response to questions 10 – 15 been externally verified/assured in whole or in part?

Yes, it has been externally verified/assured in whole or in part.(Please continue with questions 18.2 to 18.5)

It would aid automated analysis of responses if you could select responses from the tick boxes below. However, please use the text box provided if the tick boxes menu options are not appropriate.

18.2. State the scope/boundary of emissions included within the verification/assurance exercise.

Scope 1 Q10.1

Scope 2 Q11.1

Contractual Scope 2 Q12.1

Scope 3 external distribution/logistics Q13.2

Scope 3 use/disposal of company's products inc services Q13.3

Scope 3 Company supply chain Q13.4

Please use the text box below to describe the scope/boundary of emissions included within the verification/assurance exercise if the tick box menu options above are not applicable.

18.3. State what level of assurance (eg: reasonable or limited) has been given.

PriceWaterhouseCoopers was appointed to provide limited assurance on selected sustainable development indicators, which include greenhouse gas emissions.

18.4. Provide a copy of the verification/assurance statement.

Please attach a copy/copies.

<http://cdp.cdproject.net/attachedfiles/Responses/53672/7168/Rio Tinto plc - 2008 Annual report and financial statements - ISAE 3000 assurance report.htm>

18.5. Specify the standard against which the information has been verified/assured.

International Standard on Assurance Engagements 3000 (Revised) - "Assurance Engagements other than Audits and Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board ("ISAE 3000").

18.6. If none of the information provided in response to questions 10-15 has been verified in whole or in part, please state whether you have plans for GHG emissions accounting information to be externally verified/assured in future.

Further information

#### 19. Data Accuracy: (CDP6 Q2(e) – New wording for CDP 2009)

19.1. What are the main sources of uncertainty in your data gathering, handling and calculations e.g.: data gaps, assumptions, extrapolation, metering/measurement inaccuracies etc?

If you do not gather emissions data, please select emissions data is NOT gathered and proceed to question 20.

Emission data is gathered.

The main sources of uncertainty are for emissions associated with non-electrical energy use. This includes the use of coal, coke and liquid fuels. Estimates of coal seam methane emissions are made using the default factors stipulated by the relevant authorities.

Since the acquisition of Alcan Inc. in 2007, the proportion of electrical energy used within the Group has increased and the accuracy levels have therefore increased.

19.2. How do these uncertainties affect the accuracy of the reported data in percentage terms or an estimated standard deviation?

A full assessment of uncertainties of the Group emissions is being undertaken in 2009.

For Australian businesses this will coincide with the requirements of reporting under the NGER Act. These business will be required to report data with a 95% level of certainty.

19.3. Does your company report GHG emissions under any mandatory or voluntary scheme (other than CDP) that requires an accuracy assessment?

Yes (Please answer the following questions - 19.3.1, 19.3.2).

19.3.1 Please provide the name of the scheme.

EU emissions trading scheme

19.3.2. Please provide the accuracy assessment for GHG emissions reported under that scheme for the last report delivered.

Further information

## 20. Energy and Fuel Requirements and Costs: (New for CDP 2009)

Please provide the following information for the reporting year:

Cost of purchased energy

20.1. The total cost of electricity, heat, steam and cooling purchased by your company.

4000000000

Select currency

United States dollar

20.1.1. Please break down the costs by individual energy type.

Table 8 - The "Cost" column will not accept text. Please use whole numbers only.

Energy type	Cost	Currency
Electricity		
Heat		
Steam		
Cooling		

Cost of purchased fuel

20.2. The total cost of fuel purchased by your company for mobile and stationary combustion.

Select currency

20.2.1. Please breakdown the costs by individual fuel type.

Table 9 - The cost column will not accept text. Please use whole numbers only.

Mobile combustion fuels	Cost	Currency

Stationary combustion fuels	Cost	Currency

## Energy and fuel inputs

The following questions are designed to establish your company's requirements for energy and fuel (inputs). Please note that MWh is our preferred unit for answers as this helps with comparability and analysis. Although it is usually associated with electricity, it can equally be used to represent the energy content of fuels (see CDP 2009 Reporting Guidance for further information on conversions to MWh).

### Purchased energy input

20.3 Your company's total consumption of purchased energy in MWh.

Please use whole numbers only.

45800000 MWh

### Purchased and self produced fuel input

20.4. Your company's total consumption in MWh of fuels for stationary combustion only. This includes purchased fuels, as well as biomass and self-produced fuels where relevant.

Please use whole numbers only.

83600000 MWh

In answering this question and the one below, you will have used either Higher Heating Values (also known as Gross Calorific Values) or Lower Heating Values (also known as Net Calorific Values).

Please state which you have used in calculating your answers.

Net Calorific Value

20.4.1. Please break down the total consumption of fuels reported in answer to question 20.4 by individual fuel type in MWh.

Table 10 - Please use whole numbers only

Stationary combustion fuels	MWh
Bituminous coal	14700000
Motor gasoline / petrol	14700000
Distillate fuel oil No.1	10800000
Natural gas	18100000
Other coal-based fuels	25300000

## Energy output

In this question we ask for information about the energy in MWh generated by your company from the fuel that it uses. Comparing the energy contained in the fuel before combustion (question 20.4) with the energy available for use after combustion will give an indication of the efficiency of your combustion processes, taking your industry sector into account.

20.5. What is the total amount of energy generated in MWh from the fuels reported in question 20.4?

Please use whole numbers only.

20.6. What is the total amount in MWh of renewable energy, excluding biomass, that is self-generated by your company?

Please use whole numbers only.

29400000 MWh

## Energy exports

This question is for companies that export energy that is surplus to their requirements. For example, a company may use electricity from a combined heat and power plant but export the heat to another organisation.

20.7. What percentage of the energy reported in response to question 20.5 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

3 %

20.8. What percentage of the renewable energy reported in response to question 20.6 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

Further information

The disclosure in question 20.4.1 includes reductants used in metallurgical processes. It is therefore not sensible to estimate the energy available post combustion and calculate an efficiency value over the different types of processes.

## 21. EU Emissions Trading Scheme: (CDP6 Q2(g)(i) – New wording for CDP 2009)

Electric utilities should report allowances and emissions using the table in question EU5.

21.1. Does your company operate or have ownership of facilities covered by the EU Emissions Trading Scheme (EU ETS)?

Yes (Please answer the following questions - 21.2 to 21.4)

Please give details of:

21.2. The allowances allocated for free for each year of Phase II for facilities which you operate or own. (Even if you do not wholly own facilities, please give the full number of allowances).

Table 11 - Please use whole numbers only.

	2008	2009	2010	2011	2012
Free allowances metric tonnes CO2	2790000	2790000	2790000	2790000	2790000

21.3. The total allowances purchased through national auctioning processes for the period 1 January 2008 to 31 December 2008 for facilities that you operate or own. (Even if you do not wholly own facilities, please give the total allowances purchased through auctions by the facilities for this period).

Total allowances purchased through auction

0

21.4. The total CO<sub>2</sub> emissions for 1 January 2008 to 31 December 2008 for facilities which you operate or own. (Even if you do not wholly own facilities, please give the total emissions for this period.)

Total emissions in metric tonnes

3100000

Further information

## 22. Emissions Trading: (CDP6 Q2(g)(ii) - New wording for CDP 2009)

Electric utilities should read EU6 before answering these questions.

22.1. Please provide details of any emissions trading schemes, other than the EU ETS, in which your company already participates or is likely to participate within the next two years.

We participate or anticipate participating in trading schemes other than the EU ETS in the next two years.

We anticipate to participate in the Australian Carbon Pollution Reduction Scheme.

22.2. What is your overall strategy for complying with any schemes in which you are required or have elected to participate, including the EU ETS?

The strategy is to fully comply with regulatory requirements, while optimising shareholder value. This is in turn supported by a series of improvement activities aimed at lowering the Group's liability. The Group does not operate emissions trading as a separate business activity. Trading activities are integrated into the Business Units' risk management programmes. Transactions are conducted in accordance with the Group's Treasury guidelines.

Examples of value optimisation include using project based credits purchased on the secondary market to lower compliance costs.

Further information

## 22. Carbon credits

22.3. Have you purchased any project-based carbon credits?

Yes. (Please answer the following questions)

Please indicate whether the credits are to meet one or more of the following commitments:

Primarily for compliance purposes

Please also:

22.4 Provide details including the type of unit, volume and vintage purchased and the standard/scheme against which the credits have been verified, issued and retired (where applicable).

During 2008 Rio Tinto purchased over 200 000 CER credits, certified under the Clean Development Mechanism. These were purchased on the secondary market and retired for compliance purposes under the EU ETS.

22.5. Have you been involved in the origination of project-based carbon credits?

Yes. (Please answer the following question)

22.6. Please provide details including:

- Your role in the project(s),
- The locations and technologies involved,
- The standard/scheme under which the projects are being/have been developed,
- Whether emissions reductions have been validated or verified,
- The annual volumes of generated/projected carbon credits,
- Retirement method if used for own compliance or offsetting.

Rio Tinto Alcan contributed funding to the Minding the Carbon Store, an avoided deforestation project in Queensland. The project is part of the Australian Greenhouse Friendly scheme, under which the reductions were certified. 1 million units were generated (non-annually recurring amount). The credits have not yet been retired.

22.7. Are you involved in the trading of allowances under the EU ETS and/or project-based carbon credits as a separate business activity, or in direct support of a business activity such as investment fund management or the provision of offsetting services?

No. (Please go to question 23)

22.8. Please provide details of the role performed.

Further information

## Performance

23. Reduction plans & goals: (CDP6 Q3(a))

23.1. Does your company have a GHG emissions and/or energy reduction plan in place?

Yes. (Please go to question 23.3)

23.2. Please explain why.

It would aid automated analysis of responses if you could select a response from the options below as well as using the text box. However, please just use the text box provided if the options are not appropriate.

If the menu options above are not appropriate, please answer the question using the text box below:

## Goal setting

23.3. Do you have an emissions and/or energy reduction target(s)?

Yes. (Please answer the following questions)

23.4 What is the baseline year for the target(s)?

The baseline year is 2003

23.5. What is the emissions and/or energy reduction target(s)?

A five per cent reduction in energy use per tonne of product between 2003 and 2008

A four per cent reduction in total greenhouse gas emissions per tonne of product between 2003 and 2008

23.6. What are the sources or activities to which the target(s) applies?

The targets apply to all managed operations. Emissions targets include on site emissions, as well as emissions from electricity and steam used. Emissions due to land use changes are also considered. Activities include mining operations, processing plants, smelters and land management activities.

23.7. Over what period/timescale does the target(s) extend?

The targets applied to the period 2003 and 2008.

Further information

## 23. GHG emissions and energy reduction activities

23.8. What activities are you undertaking or planning to undertake to reduce your emissions/energy use?

We differentiate our approach to climate change between our existing operations and new projects. We have targets to improve the energy and GHG intensities of all our operations. However, new technologies offer step change improvements when developing large projects.

During 2009, new targets will be set for 2010 onwards. These targets will be underpinned by a set of activities which include:

- An enhancement of the Group's energy efficiency programme to achieve marginal near term improvements
- A strategic partnership with the Rocky Mountain Institute to evaluate opportunities to alter the design of mining and processing projects currently under development
- A long term capital expenditure programme which will significantly improve GHG and energy performance

Specific examples include

- A research and development project to evaluate coal seam methane capture.
- A power station upgrade in Western Australia.
- Upgrade of aluminium smelters in Canada
- Upgrade and expansion of alumina refineries in Australia

We are also investing in developing and commercialising Carbon Capture and Storage (CCS) through Hydrogen Energy, our joint venture with BP. We sponsor of one of the most comprehensive subsurface monitoring programmes in Australia, the Otway project which demonstrates the feasibility of CCS. Rio Tinto is a founding member of the Global CCS Institute as well as a member of the FutureGen CCS project in the US.

Further information

## 23. Goal evaluation

23.9. What benchmarks or key performance indicators do you use to assess progress against the emissions/energy reduction goals you have set?

Annual, Group wide KPIs are in place for the percentage reduction in emissions and energy intensity (per tonne of product). These KPIs are referenced back to a base year.

Benchmarks are only applied within certain sectors of the industry, for example on-site GHG emissions for aluminium smelting are benchmarked against competitors.

Further information

## 23. Goal achievement

23.10. What emissions reductions, energy savings and associated cost savings have been achieved to date as a result of the plan and/or the activities described above? Please state the methodology and data sources you have used for calculating these reductions and savings.

A Group wide programme of energy and emissions reductions projects is in place. As part of this programme, 59 projects realised an abatement of 159,000 t CO<sub>2</sub>e in 2008. Another 240 projects were evaluated with a combined potential saving of 673,000 t CO<sub>2</sub>e.

Methodology: Given the suit of projects involved, a different methodology would apply to each of these projects. The business as usual baseline and improvement scenario are developed by the individual operating sites. Corporate project evaluation guidelines are used for carbon price projections.

Data sources: A wide range of data sources would be involved in determining the emissions and energy savings. At a Group level these projects and savings are collated as part of the Business Unit's six monthly submissions to Group HSE.

23.11. What investment has been required to achieve the emissions reductions and energy savings targets or to carry out the activities listed in response to question 23.8 and over what period was that investment made?

Table 13 - The "Investment number" column will not accept text. Please use whole numbers only.

Emission reduction target/energy saving target or activity	Investment number	Investment currency	Timescale
Technology development and capital investment programme	1000000000	United States dollar	10 years

Further information

The investment program in table 13 includes the development and deployment of the latest aluminium smelting technology, power station upgrades and various research programmes.

### 23. Goal planning & investment

Electric utilities should read the table in question EU3 for giving details of forecasted emissions.

23.12. What investment will be required to achieve the future targets set out in your reduction plan or to carry out the activities listed in response to question 23.8 above and over what period do you expect payback of that investment?

Table 14 - The "Number" column will not accept text. Please use whole numbers only.

Plan or action	Investment number	Investment currency	Payback
Capital investment program in alumina and aluminium production across multiple sites	2000000000	United States dollar	Investment over 7 years, with payback over 20 years or more

23.13. Please estimate your company's future Scope 1 and Scope 2 emissions for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 15 below to structure your answer to the question or alternatively use the text box below.

Scope 1 forecasted emissions in Table 15 below are in the following units.

Scope 2 forecasted emissions in Table 15 below are in the following units.

Table 15 - The "Scope" columns will not accept text. Please use whole numbers only.

Type in the name of the territory or region for which you are giving data and then press "Add Territory/Region". If giving a global figure instead of separate figures for regions or territories, please write "global" in the box labelled "Enter name of territory or region".

[Click here to see a sample table.](#)

Future reporting years:										
End date for year end DD/MM/YYYY										
Emission forecasts	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2

23.14. Please estimate your company's future energy use for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 16 below to structure your answer to the question or alternatively use the text box below.

Table 16 - Please use whole numbers only.

Type in the name of the territory or region for which you are giving data and a description of the data you are giving e.g. electricity consumption. Then press "Add Row". If giving a global figure instead of separate figures for regions or territories, please use the word "global". This table will also accept different types of units e.g. units of volume or mass.

[Click here to see a sample table.](#)

Future reporting years:											
End date for year end DD/MM/YYYY											
Energy use estimates for territory/region	Number	Units	Number	Units	Number	Units	Number	Units	Number	Units	

23.15. Please explain the methodology used for your estimations and any assumptions made.

Further information

The investments described in question 23.8 have multiple benefits, including improved efficiency and a marginal increase in capacity. Future emissions projections are generated internally by the Group and are considered confidential information.

#### 24. Planning: (CDP6 Q3(c))

24.1. How do you factor the cost of future emissions into capital expenditures and what impact have those estimated costs had on your investment decisions?

Corporate project evaluation guidelines specify a set of future carbon prices that have to be used in the evaluation of all capital projects. These mandated carbon prices are broken down per region and are projected forward for several decades.

The impact of these carbon prices has had an impact on investment decisions. The net present value of large projects, which is one of the key project measures, will therefore include a carbon cost, or avoided carbon cost.

Strategically, investments which enhance the Group's exposure to low carbon power sources. A specific example of such an investment was to increase the Group's exposure to hydropower in 2007.

Further information

#### Governance

#### 25. Responsibility: (CDP6 Q4(a))

25.1. Does a Board Committee or other executive body have overall responsibility for climate change?

Yes. (Please answer question 25.3 and 25.4)

25.2 Please state how overall responsibility for climate change is managed and indicate the highest level within your company with responsibility for climate change.

The Board Committee for Social and Environmental Accountability has overall accountability for climate change. Within the Executive Committee the Chief Executive of Energy and Minerals has responsibility for climate change issues. The Group's position and strategy is the accountability of the Managing Director Energy and Climate Strategy.

The Business Unit Managing Directors are accountable for identifying and responding to climate change threats and opportunities, as well as adhering to Group standards and meeting performance targets. Each Business Unit has a climate change champion.

25.3. Which Board Committee or executive body has overall responsibility for climate change?

The Board Committee for Social and Environmental Accountability has overall accountability for climate change. This committee comprises of non-executive directors.

25.4. What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

The Managing Director Energy and Climate Strategy updates the Board Committee on Social and Environmental Accountability on a six monthly basis on Group performance. This review includes key performance measures as well as an update on strategy and policy. Emissions data is submitted by the Head of HSE on a six monthly basis. The full Board and the Executive Committee are updated on a periodic basis.

Further information

#### 26. Individual Performance: (CDP6 Q4(b))

26.1. Do you provide incentives for individual management of climate change issues including attainment of GHG targets?

Yes. (Please go to question 26.2)

26.2. Are those incentives linked to monetary rewards?

Yes, these incentives are linked to annual cash bonuses.

26.3. Who is entitled to benefit from those incentives?

Executives and senior managers whose operational or functional accountability includes energy and climate change performance. All senior managers are rewarded for performance defined as "demonstrated leadership behaviour and unit performance related to environment, communities, stakeholder relations and product lifecycle initiatives."

Further information

27. Communications: (CDP6 Q4(c))

27.1. Do you publish information about the risks and opportunities presented to your company by climate change, details of your emissions and plans to reduce emissions?

Yes.

A summary of the Group's performance and strategy is given in the annual report:

[http://www.riotinto.com/annualreport2008/performance/sustainable\\_dev/environmental\\_stewardship/greenhouse/index.html](http://www.riotinto.com/annualreport2008/performance/sustainable_dev/environmental_stewardship/greenhouse/index.html)

A further discussion of the Group's position on energy and climate change is given in the Sustainable Development Review:

[http://www.riotinto.com/ourapproach/17194\\_environmental\\_stewardship.asp](http://www.riotinto.com/ourapproach/17194_environmental_stewardship.asp)

If so, please indicate which of the following apply and provide details and/or a link to the documents or a copy of the relevant excerpt:

27.2. The company's Annual Report or other mainstream filings.

Yes

The following are excerpts from the risk section of the Group's annual report

Increased regulation of greenhouse gas emissions could adversely impact the Group's cost of operations.

Rio Tinto's smelting and mineral processing operations are energy intensive and depend heavily on fossil fuels. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, in numerous jurisdictions in which the Group operates is likely to raise energy costs and costs of production to a material degree over the next decade. Regulation of greenhouse gas emissions in the jurisdictions of the Group's major customers and in relation to international shipping could also have an adverse effect on the demand for the Group's products.

The Group's operations are resource intensive and changes in the cost and/or interruptions in the supply of energy, water, fuel or other key inputs could adversely affect their economic viability.

The Group's operations are resource intensive and, as a result, its costs and net earnings may be adversely affected by the availability or cost of energy, water, fuel or other key inputs. If the current downward trend in energy prices reverses, carbon trading schemes or carbon taxes begin to apply to the Group's operations or if the Group experiences interruptions in, or constraints on, its supply of energy, water, fuel or other key inputs, the Group's costs could increase and its results could be materially adversely affected.

Further details are given in 27.1 above.

27.3. Voluntary communications (other than to CDP) such as Corporate Social Responsibility reporting.

Yes

The USA Climate Registry, Canadian Greenhouse Gas Emissions Reporting Program, the Australian Government Greenhouse Challenge Plus.

FTSE4Good, and Dow Jones Sustainability World and STOXX Indexes.

Further information

28. Public Policy: (CDP6 Q4(d))

28.1. Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

Rio Tinto made submission to the Australian government on the green and white papers of the proposed Carbon Pollution Reduction Scheme. These submission mainly dealt with the manner in which Energy Intensive Trade Exposed Industries would be treated under the scheme.

Rio Tinto is a member of the US Climate Action Partnership (USCAP), which made submissions to the US Congress on the need for sound climate change policy. Rio Tinto also made a submission to US senators on the proposed rulemaking by the EPA.

In the EU, Rio Tinto has mainly engaged policymakers through various industry bodies. The focus of engagement was the effect of the EU ETS on the aluminium industry.

An example of joint submission to legislators which calls for the mitigation of climate change is the USCAP "A Call for Action". The report lays out a blueprint for a mandatory economy-wide, market-driven approach to climate protection:  
<http://www.us-cap.org/about/report.asp>

Further information