Message from the chief executive - Iron Ore

In my first year as chief executive of Rio Tinto’s Iron Ore business I am pleased to make available our 2012 sustainable development report for our Western Australian iron ore operations.

At Rio Tinto we define sustainable development broadly to integrate our economic, social and environmental objectives in achieving long term positive outcomes. This means making sustainable development considerations an integral part of our business plans and decision making processes.

As a business we are driven by our values and are supported by our systems and standards. We expect that these platforms will guide our people and service providers to deliver outstanding performance, both within the business and in the broader Western Australian community.

We have maintained our relentless focus on safety, improved productivity, implemented a rigorous cost management focus, and developed innovative solutions to current and future challenges including sustainable water management and energy efficiency. Additionally, but no less important we have built on many existing partnerships that support local and state-wide communities in areas such as training, education, health and regional development.

This report provides a summary of our sustainable development efforts in 2012 and I trust you will find it valuable. I welcome your feedback.

Andrew Harding
Chief executive Iron Ore

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About our business

Rio Tinto is a leading international mining group, combining Rio Tinto plc, a London listed public company headquartered in the UK, and Rio Tinto Limited, which is listed on the Australian Stock Exchange. The two companies are joined in a dual listed companies structure as a single economic entity called the Rio Tinto Group.

Our interests are diverse both in geography and product. Most of our assets are in Australia and North America. We also operate in Europe, Asia and Africa. Our businesses include open pit and underground mines, mills, refineries and smelters as well as research and service facilities.

Rio Tinto's products help fulfil vital consumer needs and improve living standards. We operate and close our operations safely, responsibly and sustainably. We take a long term and responsible approach to our business. This means concentrating on the development of first class ore bodies into large, long life and efficient operations, capable of sustaining competitive advantage through business cycles.

Our values - accountability, respect, teamwork and integrity - are expressed through our business principles, policies and standards. We set these out in our global code of business conduct, The way we work. Our values underpin the way we manage the economic, social and environmental effects of our operations, and how we govern our business.

Our Iron Ore product group

Our Iron Ore business is the second largest supplier to the global iron ore market which makes steel for industrial and infrastructure use. Our commitment to operational excellence and technological innovation continues to drive record performance. The group's operations are located in the Pilbara region of Western Australia and in eastern Canada (Iron Ore Company of Canada). We also have projects in India (the Odisha joint venture) and in Guinea, west Africa (Simandou). Our head office is located in Perth, Western Australia.

In addition to iron ore assets, the group also includes the global Rio Tinto Marine business and our technology relating to the HIs melt direct iron-making process.

Our Iron Ore business in Western Australia

Most of our iron ore production is in the Pilbara region of Western Australia. Our network of 14 mines, three port terminals and 1,500 kilometres of rail creates great flexibility, allowing us to respond rapidly to changing environmental and market conditions.

We have significantly expanded our Pilbara iron ore operations over the past ten years. We have a current annual capacity of 237 million tonnes, with advanced plans to increase capacity to 290 million tonnes by 2013, on a pathway to 360 million tonnes.
Our approach to sustainable development

We believe that our business can contribute to the global transition towards sustainable development. We integrate a commitment to sustainable development into all that we do and we have the opportunity to bring long-lasting positive change to the communities, regions and countries where we work. At the same time our minerals are transformed into end products that support growth and contribute to higher living standards.

Our focus on sustainable development strengthens our business performance and reputation, which creates competitive advantages. Through the implementation of sustainable development measures we are able to manage risks effectively, reduce environmental impact, engage with our host communities, provide additional business opportunities, attract high calibre employees, protect their health and safety, and deliver better returns for our shareholders.

Sustainable development complements our strategy of investing in large, long term, cost competitive mines. Some of our mines in the Pilbara have been operating for more than 40 years, and still have many years remaining before closure. This long term commitment provides opportunities for us to plan, implement and deliver sustainable contributions to social wellbeing, environmental stewardship and economic prosperity, within our strong governance systems.

The wealth created from our operations in the Pilbara supports community infrastructure, health care and education programmes and delivers financial dividends for our shareholders. Our activities also provide the means and opportunity to develop new approaches and solutions to environmental and human development challenges, such as improving freshwater management and supporting beneficial outcomes for Aboriginal people.

We also recognise that, without appropriate management, some aspects of our activities have the potential to detract from our sustainable development objectives, such as amenity impacts on local communities and greenhouse gas emissions from our operations. As such, we have developed and implemented a structured approach to ensure we meet our goal of making a positive contribution towards sustainable development.

Our approach follows our global code of business conduct *The way we work*, which contains principles and standards of conduct that reaffirm our commitment to corporate responsibility. The standards of conduct are driven by our core values of accountability, respect, teamwork and integrity. This commitment is also reinforced by Rio Tinto Group policies on sustainable development, human rights, environment, transparency and business integrity, and our Iron Ore sustainable development principles. These policies and principles are supported by a range of tools, procedures and management systems to ensure appropriate implementation across all aspects of our operations.

**About this report**

This report provides a snapshot of key activities undertaken by our Iron Ore business in Western Australia during the 2012 calendar year. Our long term commitments and strategies are demonstrated through performance data, stories and highlights.

Our sustainable development activities cover diverse issues. A materiality assessment was undertaken to ensure appropriate focus is placed on those issues that are currently most important to our business and stakeholders.

The report is intended to assist our employees, host communities and other interested stakeholders to understand more about our approach to sustainability, both in principle and in action. The report presents our approach to sustainable development across four key areas:

- Our people;
- Community;
- Environment; and
- Economic performance.

All data presented is considered to be a true and accurate record at the date of reporting. Changes may occur from time to time that may impact on the accuracy of this data in future years.

Performance data relating to the Hisitlement plant at Kwinana has not been included in this report as the facility is in the process of being decommissioned. Separate sustainable development reports are prepared for the Iron Ore Company of Canada and Simandou. The Rio Tinto Group Annual report includes a summary of the Group’s overall sustainable development performance.

Some of the indicators included in this report have targets we have set as a five year performance measure. Where these exist, we have included the target in the charts showing our performance.

**Data validation**

We seek to provide accurate information in the report. Our internal stakeholder engagement process involved representatives from each division linking original source data and documentation to report content. Internal data verification systems are in place to meet our obligations under various reporting requirements, including external assurance of relevant data at the Rio Tinto Group or product group level.

**Feedback**

We welcome your feedback on this report. Please use the form provided on page 34 or contact us directly via email at IronOreSDReport@riotinto.com.
Our people

Building a zero harm culture, and maintaining the safety, health and wellbeing of our people are the highest priorities for our business. We believe all safety incidents are preventable and we work with employees to create a safe environment focussing on visible and purposeful leadership, hazard identification and risk management. Preventing high consequence, low likelihood incidents is particularly important.

We need a healthy and engaged workforce to expand and sustain our operations, positively contribute to our host communities and protect the environment.

We value the strength of a diverse workforce. By bringing together people from diverse backgrounds with a range of skills, experience and perspectives, and facilitating collaboration with local members of the community, we believe we will develop innovative solutions that are broadly and locally acceptable and deliver sustainable value.

Safety

We are committed to developing a fatality, incident and injury free workplace, with a goal of zero harm. We remain proactive, implementing ongoing tools and strategies to ensure our employees remain safe at work. Following two fatalities in 2011, we initiated a business-wide safety diagnostic – a deep examination of how safety is approached and implemented in our business. Despite our injury frequency rates improving in line with industry best practice, focus was required on critical risks to ensure we prevented serious injuries and fatalities. The diagnostic, which concluded that our approach should be simple, consistent and address critical risks and hazards on sites, has led to the implementation of several initiatives.

During 2012 we made progress on a number of areas identified as requiring immediate focus. These included our peoples’ awareness and management of risks, providing support to frontline leaders to engage with their teams on how to think and act safely, and ensuring we have effective management systems. We also continued to implement active management plans for critical, potentially catastrophic, safety risks in our operations.

In 2012, operational leaders were actively involved in implementing Critical Control Monitoring Plans through the verification of critical safety controls at an operational level, and ensuring that operators understood the most significant safety risks in their work area. Critical Control Monitoring Plans were introduced in 2011 as a means of monitoring our safety risks.

Improving safety, reducing risk

We have worked together closely to improve safety awareness and build a stronger safety culture across our sites.

Our nine highest risks, which include high impact events and Serious Potential Injuries (SPIs), were identified based on a thorough analysis of safety data for our business and the resource industry. We asked our employees to help develop commitments that would prevent incidents relating to these risks in our workplace.

Over 200 ideas and suggestions were received, leading to the nine ‘lifesaving commitments’, which provide a simple, engaging way to communicate the actions each of our employees must take to prevent serious injuries. We want our people to remember these commitments and to live them daily so they return home safely to their friends and family each day.

Our employees welcomed the launch of these lifesaving commitments, initiating a range of activities to celebrate their arrival and ensure visibility and integration. Many examples of the initiative can be seen across our sites. Our Port Operations developed posters, which connect the nine lifesaving commitments with incidents and internal performance targets, bringing the key messages closer to home, while employees can travel to our Paraburdoo operations on a bus which displays the commitments.

All injury frequency rate

While we have experienced a reduction in our all injury frequency rate (AIFR) over the previous six years, in 2012 it increased. AIFR, serious potential injuries and fatalities are not well correlated. While we must continue to focus on reducing all injuries, it is more important that we manage areas where critical or catastrophic failures can occur and proactively improve these.

Display of lifesaving commitments at Paraburdoo
Highlights

Our Parker Point stockyard commenced trialling an innovative technology to tie down conveyors to make them safer during cyclones. The tie down process would normally take a team 24 hours to complete, requiring management of manual handling risks and equipment de-energising. If successful during the 2012/13 cyclone season, future deployment of the technology could reduce the time required for the tie down process, with benefits to safety and production.

A fatigue management framework was implemented with the support of business-wide fatigue management workshops that identified current fatigue management practices, future initiatives and priority areas.

More than 2,000 employees have now participated in our sleep screening programme across our Pilbara operations since the programme was initiated in 2011 to identify sleep disorders.

Our Peer Support Programme, a key education/awareness component of our mental health strategy, was successfully rolled out to two sites in 2012. The programme involves training volunteer employees to assist their workmates deal with stress and the demands that can arise from both work and personal life.

Taking safety to the next generation

In a first for the Western Australian mining industry, we are taking safety to the next generation with a new children’s book Zac and Bec, Play All Day.

We believe that being safe is a learned behaviour and one that should be taught at the earliest possible age. This book is based on our nine lifesaving commitments and was commissioned as part of our ongoing commitment to safety and to encourage the next generation to consider their personal safety.

Zac and Bec talk about safety in a different and engaging way, creating healthy habits and natural safety awareness for children. Copies of the new book have been provided to employees, as well as primary schools in the Pilbara. A reading guide explains how the safety messages in the book relate to scenarios at home and at work.

Occupational health

We believe a healthy workforce contributes to business success through improved productivity, and our people should be provided with a healthy work environment.

Our business-wide wellness programme seeks to provide employees with the support they need to lead a healthy lifestyle and to eliminate new cases of occupational illness in line with our goal of zero harm.

We continued our musculoskeletal improvement project including risk-based training, assessment and improvement. Occupational health initiatives in 2012 also recognised the importance of understanding and supporting the mental health of our workforce. In line with this approach we also developed and endorsed our mental health strategy, which involves gathering information on how we can best promote:

- mental health within our workplace and community;
- education and awareness initiatives;
- partnerships with community, government and research organisations; and
- improving our existing mental health support services.

Targeted activities provide additional support for employees commencing fly in fly out rosters and moving to residential towns in the Pilbara.

Rate of occupational illness

Occupational illnesses are those that result from workplace related exposure (of more than one shift) to certain elements. The most common type of occupational illnesses recorded in 2012 were musculoskeletal conditions, generally caused by prolonged exposure to factors such as awkward postures, heavy lifting and repetitive movements.

Another example is noise induced hearing loss and in 2012 we developed a stronger process to identify and verify cases of work related noise induced hearing loss. This new process will ensure a more accurate analysis of noise induced hearing loss cases is included in our figures.

Rate of occupational illness cases (per 10,000 employees)


Improving health awareness

Implementation of the Pilbara wellness programme, which commenced in 2011, to improve health awareness among our employees, has continued across our sites during 2012.

The programme offers flexible delivery options to cater for the specific needs of our various business units, including high risk groups.

On-site health and wellness professionals are available to deliver education and tools that assist employees to achieve improved health and wellbeing. Ongoing support is provided through motivational coaching and the development of personal goals and personalised programmes. Our health and wellness employees are trained to identify health risk factors and refer participants to an appropriate health service for further investigation and treatment as required.

The four sites that offered the Pilbara wellness programme throughout 2011 (Hope Downs 1, West

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Angelas, Yandicoogina and Greater Brockman) achieved participation rates of 30 per cent or greater for this reporting period. In the Pilbara we continue to promote ‘fitness for life’ and strive toward our internal goal of 70 per cent employee participation in a formal annual health risk assessment in 2013.
Employee diversity

We recognise the importance of attracting, developing and retaining people with diverse backgrounds in our business. This recognition is reflected, in part, through the targets we set for employing women and Aboriginal people, and is supported through a range of programmes intended to develop the capacity of these groups to apply for roles within our organisation. We place particular emphasis on building talent from within our business to meet our future skill requirements.

We also recognise benefits in developing the skills of a broader group of individuals, outside of our industry, through targeted partnerships and programmes that increase capacity and educational opportunities in the broader community.

Being perceived as an employer of choice will enable us to attract skilled workers for our operations and to support our expansion programme. With increasing competition for skilled workers and graduates, and the number of graduates in key fields falling short of projected demand, our focus areas for the next two years will include:

- successful implementation of our improved graduate programme and operating model;
- diversity targeted sponsorships, partnerships and events to attract talented female employees; and
- building relationships with universities and growing our ongoing educational partnerships.

Understanding our regional fly in fly out programme

We aim to attract and retain staff from regional Western Australia. We have a regional fly in fly out engagement strategy to better understand and address the impacts and perceptions relating to this workforce.

During 2012 we commissioned an economic impact study which found that regional fly in fly out:

- provides job opportunities in regional areas where unemployment rates are often well above the Western Australian average;
- provides more diversified job opportunities for people living in areas where employment options are limited;
- assists Aboriginal people to remain in their local community and work for Rio Tinto;
- enables wages to be spent on goods and services that benefit the local economy;
- improves the skill base of regional areas; and
- assists in promoting regional growth, retaining people in regional areas that might otherwise have relocated to work in the mining industry.

We signed a memorandum of understanding with the City of Busselton, a key regional fly in fly out hub for our business. This signals the importance of our relationship, based on mutual trust and good will, and was coupled with a funding partnership for a range of measures to support the social and economic growth of the south west.

Along with the City of Busselton, we also partnered with the South West Development Commission and the Busselton Family Centre to hold a symposium to better understand fly in fly out impacts. The symposium resulted in a number of recommendations to support a fly in fly out workforce in the south west region.

Highlights

We rolled out tools to assist with e-learning and continued to develop our Work Readiness programme to address some of the common barriers to employment often faced by members of the Aboriginal community.

Our commitment to a diverse workforce and related achievements were recognised in several national and state awards in 2012. We had one employee and two programme finalists in the Chamber of Minerals and Energy Women in Resources Awards. At the National Prospect Mining Awards Rio Tinto won the Employer of Choice category (for our Work Readiness Programme) and: was a finalist for the Mining Woman of the Year award. Cape Lambert fabrication apprentice, Daniel Danni, was also a finalist in the Aboriginal and Torres Strait Islander Student of the Year category at the State’s most prestigious annual training competition, the WA Training Awards.

Seven Indigenous women are now employed at our Hope Downs mine site after completing a 12 month Certificate II in Surface Extraction traineeship as part of our partnership with the Resources Industry Training Council and Macmahon.

We revitalised several apprenticeship programmes, with accelerated apprenticeships introduced at Tom Price, and project-based initiatives for apprentices at Cape Lambert, Dampier and Tom Price.

Employee diversity

The number of people we employ has increased since 2007 primarily due to growth projects across Pilbara operations.

The proportion of female employees steadily increased to 21.9 per cent, just below the 2012 target of 22.5 per cent. Pleasingly, 21 per cent of senior leadership roles are filled by women.

Total number of employees

The number of Aboriginal employees increased from 894 to 954. We achieved 16.4 per cent Aboriginal apprentices and 14.9 per cent Aboriginal trainees. Staff turnover decreased to eight per cent for the year, compared with 10.5 per cent in 2011.

Total number of Indigenous employees

Data includes: WA based employees and relief contractors. Indigenous employees include Aboriginal and Torres Strait Islander people. Pilbara Aboriginal people include people belonging to Pilbara Traditional Owner groups.

Boolgeeda aerodrome opens to passenger flights

An upgrade to our Boolgeeda aerodrome supports our Pilbara expansion and significantly improves travel conditions for workers at our Paraburdoo, Brockman 2 and Brockman 4 operations.

Extension of the runway and an upgrade of the existing aerodrome now caters for larger aircraft like the Boeing 737-800. Flights bring employees from Geraldton, Albany, Perth, and most recently Busselton.

The opening of Boolgeeda reduces road travel and fatigue, eliminating the need to drive from Busselton to Perth and again between Paraburdoo and Brockman 2 and 4. Productivity is also increased, due to reduced commute times.

Construction on the project commenced in April 2012 and involved an 800 metre extension to the old airstrip as well as a design that allows for three 737-800 or A320-200 aircraft on the apron at any one time. The new terminal is capable of housing 220 people and will support more than 3,000 passenger movements each week for the next 30 years.

Upgraded aerodrome at Boolgeeda
Community

We strive to develop enduring relationships with those communities where we operate, built on mutual respect, active partnerships and long term commitment.

Studies are undertaken to help us understand the social and economic impacts of our activities on our host communities. By understanding our interactions and working collaboratively with these communities and stakeholders, we can maximise the benefits and minimise any negative impacts and issues that may arise out of our operations and activities.

We have developed a number of locally appropriate social performance indicators, which are consistent with the United Nations Millennium Development Goals, across our key Reconciliation Action Plan commitments.

A variety of stakeholder engagement processes enable us to work effectively with our host communities, including contractual responsibilities under our land use agreements with Traditional Owners; regulatory obligations that include heritage surveys and approvals and community services; community partnership and investment activities; and established engagement frameworks.

Working in partnership with Traditional Owners

Supporting Aboriginal people is important for the success of our operations and the long term sustainable development of Pilbara Aboriginal communities. To this end, we negotiate participation agreements that substantially empower local Aboriginal communities to drive their own future.

Our commitment to demonstrate recognition and respect and improve economic prosperity for Indigenous people across Australia is recorded in our Reconciliation Action Plan, which provides a blueprint for engagement with Traditional Owners and Aboriginal people. The plan is implemented through four key platforms: regional development and land access agreements; community capacity building (local employment, education and training, enterprise facilitation); cultural heritage and land management; and by funding bodies that support programmes directed by Aboriginal people. During 2012 we continued to make solid progress towards the targets outlined in this plan - a full update can be found on our website.

Partnerships for success programme

We celebrated 15 years of partnership with the Graham (Polly) Farmer Foundation through the Follow the Dream/Partnerships for Success education programme.

The programme creates positive opportunities and outcomes for Aboriginal students. It is a series of school educational support projects for Indigenous students who have the capacity, interest and potential to go on and complete their secondary education.

The programme, a partnership between the Foundation, Rio Tinto, Woodside Energy, the North West Shelf Project and the State Government, was established in 1997 when very few Aboriginal students were graduating from high school and therefore able to enter university.

With our support, the Foundation delivers programmes for secondary students in Carnarvon, Kununurra and Tom Price, as well as Roebourne and Karratha. Programmes for students in primary school are also run in Tom Price and Wickham. By the end of 2012, more than 145 students had graduated across Western Australia, supported by the programme. Beyond the programme, students have continued their pathways in university, apprenticeships, traineeships and direct employment.

In November, to celebrate this significant milestone, the programme’s foundation partners launched a new online platform.

Culture and heritage

We respect Aboriginal people, culture and the connection to country. We plan and manage our operations and expansions carefully to mitigate any impacts we may have on sites and systems of cultural heritage and significance. Improving the understanding of Aboriginal culture within our workforce is an important element of our approach, and we provide cultural awareness training to our employees and contractors. Commitments to cultural awareness training have been made in our Participation Agreements with Traditional Owners, and also in our Reconciliation Action Plan.

We also made significant progress in our relationships with Traditional Owners. Following the signing of agreements with several groups in 2011, 2012 has seen an evolution from negotiation to implementation of the governance and management systems for these agreements. Negotiations were completed on a further land use agreement with the Yinhawangka People in 2012, with execution in the first quarter of 2013. We are continuing to negotiate with the Yindjibarndi and Banjima Traditional Owner groups to develop suitable land use agreements.
Heritage surveys performance

The number of survey days almost doubled from 2011 to 2012. Progress towards our expansion programme requires approvals for new sites and has significantly increased the volume of heritage study work undertaken during 2012.

Work must be undertaken efficiently, within timeframes and with sufficient levels of Traditional Owner input. To satisfy requirements, improved work practices and roster systems have been developed to ensure the required Traditional Owner expertise is available.

Many new initiatives were put in place in 2012 to meet approval demands. These included establishing regular field survey rosters and agreeing on increased survey capacity with Traditional Owner groups.

While the number of heritage survey days increased substantially from 2011 to 2012, the same level of increase is not seen in the survey area statistic. This difference results from a number of factors including:

- a lag between finishing fieldwork and survey approval in our internal systems; and
- detailed recording or salvaging of heritage sites in 2012, rather than surveying new areas.

We were pleased no heritage incidents occurred in 2012. Our measures to manage heritage sites during construction have played a large part in this result, and include:

- an internal standard, established in 2010 placing a ten metre buffer around every heritage site. Some near misses did occur in 2012, and in all cases the impact was in the buffer area and not the site itself; and
- a procedure established in 2011 has improved heritage site fencing.

Cultural awareness training

Ongoing training at all operational sites and in our Perth offices is delivered largely by Pilbara Aboriginal people. Our aim is for all of our employees to complete cultural awareness training within their first twelve months of employment. We are working with the Aboriginal corporations representing Traditional Owner groups to develop this service as a further business opportunity.

Business development and enterprise facilitation

Over the past two years, more than $1 billion in both Aboriginal joint venture and direct business contracts has been awarded through our Pilbara expansion projects.

With capacity to increase our engagement with Aboriginal businesses, our Aboriginal business mentoring programme makes critical links between local Aboriginal businesses and some of our major suppliers. Our business mentors share knowledge to assist local businesses in their development.

They work to provide advice and support for Aboriginal-owned businesses starting a new company, or planning to grow a well-established enterprise.

In 2012, 55 per cent of contracts were awarded to Aboriginal owned firms against a target of 14 per cent, up from 37 per cent in 2011.

Heritage surveys informs design of proposed rail line

Heritage surveys of our proposed rail line from Pannawonica to Cape Lambert were undertaken with the assistance of the Ngarluma people.

The team walked the area proposed for the rail line to identify Aboriginal heritage and cultural sites. Identification of sites allows us to adjust our route to avoid sites or minimise impacts where possible. During 2012 our heritage surveys programme enabled the regular employment of more than 300 Traditional Owners.
Highlights

The sixth annual Colours of our Country exhibition was held in Perth, providing employees and the public with an opportunity to engage with the rich stories and customs of the Pilbara and its Traditional Owners. Eighty per cent of the artworks were sold, with all sales proceeds returned to the artists, their art groups and communities.

We have entered a new partnership with the Film and Television Institute that will document and preserve significant Aboriginal stories and traditions from Western Australia.

Many of our programmes are ongoing. We provided 3,967 reading packs to remote Aboriginal communities in support of the State Library of Western Australia’s Better Beginnings programme. The Musica Viva In Schools programme visited more than 128 Western Australian schools and involved more than 30,000 students in 2012.

More than 110,000 people have visited the Naturescape facility in Kings Park since its opening in 2011.

Through our Employees in the Community programme, 6,820 employees got involved in volunteering 23,105 hours; and Rio Tinto and our employees contributed more than $740,000 to the community. Organisations included health, sport and recreational, culture, education, youth and animal welfare groups.

Thinker in Residence partnership

For the second year running, we partnered with the Commissioner for Children and Young People to support the Thinker in Residence programme. The programme was created to provide Western Australia with access to leading research and knowledge concerning the wellbeing of children and young people.

The 2012 Thinker in Residence Dr Stuart Shanker, one of Canada’s foremost child development specialists, visited Western Australia in June. His visit examined the importance of self-regulation in children and young people. Particular focus was placed on strategies that can be used to develop and enhance self-regulation – helping children, young people and their families manage their emotions and behaviour.

As part of a series of events and workshops during his visit, we provided support for Dr Shanker to hold four events in Roebourne to discuss how communities can improve educational and social outcomes. We also supported the inaugural Thinker in Residence, Paul Collard, who visited Western Australia in 2011. Paul’s workshops on Unlocking Creativity explored the role of creativity, culture and education in improving the wellbeing of children and young people in Western Australia.

Community investment

To make the biggest impact on some of the most important issues facing our communities, our community investment efforts are focussed on the areas of education, health, environment and culture. In the Pilbara we also focus our programmes towards the sustainability of the region. These priority areas have been chosen to reflect the needs and expectations of the communities in which we live and work.

Our strategic approach is informed by consultation with communities via baseline surveys, and through engagement with key external leaders. Our programme is aimed at building long term strategic partnerships. The ability for our programmes to build linkages between cultural, environmental, and long term economic initiatives leads to the most effective outcomes.

By focusing on these priorities we hope to:
- establish closer ties with our local communities and regional neighbours;
- support Aboriginal Western Australians to create a brighter future for their families, communities and future generations;
- ensure the sustainability of programmes beyond Rio Tinto funding;
- create opportunities for employees to participate in our community investment activity;
- engage key stakeholders outside our daily business; and
- work collectively with other sectors to bring about identified positive social change.

Community investment fund

We work with partners who share our values and goals for projects of state wide significance through the Rio Tinto Community Investment Fund. The Fund was established in 2001, and has contributed almost $40 million to projects that offer long term solutions in our four key focus areas.

Protecting Pilbara rock art for generations to come

Tens of thousands of Indigenous rock art treasures in the Pilbara will be researched, catalogued and promoted under a six year $1.08 million agreement with the University of Western Australia (UWA).

The primary focus of the research will be one of the world’s richest collections of Indigenous rock art at the national heritage-listed Hamersley Archipelago. The rock art is known to be thousands of years old and archaeologists will use modern technology to more accurately date its origins. Together with UWA we announced the agreement to establish the Rio Tinto Chair of Rock Art Studies and the appointment of leading Australian rock art specialist UWA Professor Jo McDonald to the position.

The Rio Tinto funding will support research into and the recording of rock art and this work, done in collaboration with the relevant Aboriginal communities, will enhance its responsible management and protection, and increase public knowledge of rock art.

Dr Stuart Shanker and participants of the Thinker in Residence programme in Roebourne.

Rock carvings on the Burrup Peninsula.
Towns and communities

We are determined that our growth will have a positive impact on host communities. Supporting town revitalisation and other community initiatives ensures that our business will help make Pilbara towns vibrant places to live.

We use community baseline assessments to help understand current issues in the region. Social impact assessments also inform potential impacts of our operations or planned expansion projects on existing communities, businesses and infrastructure. This enables us to plan our projects to minimise or avoid risks and, increasingly, to identify opportunities for greater economic engagement with locally based businesses.

In 2012 we signed long term Memoranda of Understanding with the Shires of Ashburton and Roebourne. These agreements capitalise on the local shires’ expertise and role in the delivery and operation of facilities and services to improve the liveability of Pilbara communities. As we expand our operations, ensuring Pilbara communities support families and are attractive and safe places to live and work in the future is a key area of focus.

The partnerships strengthen our existing support in communities across the key priority areas of health, education, the environment and culture. Throughout 2012 a number of projects were implemented to meet community needs and were developed in a way that promoted sustainability and liveability. We worked closely with the shires and other community partners on initiatives to support community based programmes and strengthen service delivery and town revitalisation and upgrade programmes.

Supporting health services in the Pilbara

Three doctors recently celebrated milestones in providing crucial health services to the Pilbara community, as part of the Medical Service Equalisation Scheme.

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Highlights

The Tom Price town revitalisation was completed, including city centre upgrades and a new skate park.

The Wickham Recreation Centre, Wickham’s newest social hub, was officially opened at the community celebration of the town’s fortieth anniversary. The facility plays a role in building a strong and vibrant community and is part of a broader vision for the town’s development in support of our Cape Lambert port expansion.

Shire of Roebourne ranger and trainee Indigenous ranger programme

Our partnership with the Shire of Roebourne ensures a committed ranger presence in the towns of Roebourne, Wickham and Point Samson.

The initiative was established in response to an increasing population in Wickham and community concern around litter, illegal camping and other issues. In just over a year the programme has seen a marked improvement across all three towns in regards to stray dogs, illegal dumping of rubbish and car bodies, and a reduction in illegal camping in the area. The rangers provide a fast response to calls by being based in the region, and have developed a great rapport with community members.

The employment of a local Aboriginal trainee ranger has also provided dividends to the Shire, enabling rangers to assist and work with Aboriginal residents in a culturally appropriate manner. As a result of such great work and commitment, the Indigenous trainee ranger will be promoted to a ranger position in 2013.
Sustainable development report 2012 Iron Ore WA

Water management

We remain focussed on responsible water management, recognising the impacts of both existing and future operations. As a valuable global resource, we must take responsibility for careful freshwater management.

In the Pilbara we use water to manage and mitigate dust emissions, facilitate mine processing and supply drinking water and wastewater services to our operations, Pilbara towns and fly in fly out villages.

During 2012 we improved water availability at our coastal operations and town sites, an issue which presents ongoing challenges in the region. Through improved efficiency and by progressing the Coastal Water Supply project we improved the sustainability of water management at the coast. This project will be completed in 2013.

On the other end of the spectrum, our inland operations are facing an emerging challenge caused by the surplus water resulting from increased below water table mining. Where a deposit sits below the water table, dewatering through groundwater abstraction is required prior to mining to ensure the mine can be operated safely and efficiently. With more below water table mining expected throughout our expansion programme, the impacted area also increases, as will the time taken to achieve safe dewatering prior to mining. Management of increased impacts to environmental and water-related cultural values remain a priority for our business.

We are proactively tackling the emerging issues through an innovative and strategic approach. Beneficial uses for this surplus water are being developed and will provide opportunities for economic diversification and regional development.

Highlights

Substantial progress was made on the Coastal Water Supply project in the Pilbara, which will transfer water from the inland Bungaroo bore field to the Water Corporation’s West Pilbara Water Supply Scheme at Millstream.

The State Government approved an agricultural project to use surplus water from our Nammuldi below water table and Silvergrass East operations to produce additional hay, which will be made available for sale and to run cattle as a ‘stand and graze’ arrangement to supplement existing pastoral operations.

Drilling and installation of groundwater monitoring bores commenced on the Fortescue Marsh in the east Pilbara to improve our understanding of hydrogeological support mechanisms of this environmentally significant feature.

Environment

Environmental responsibility is critical to the relationships we build with communities and other stakeholders. We respect the environment as an integral part of the cultural and spiritual value systems of our host communities.

We work in accordance with the Rio Tinto Group environmental standards as well as under an environmental management system that is certified against the International Standard ISO 14001 (2004). With the support of these systems and standards environmental risks are assessed and controlled, and we seek to continually improve our environmental performance.

We seek to minimise the environmental impacts and risks associated with our operations and activities and to manage valuable natural resources. Our mine planning processes minimise biodiversity loss, land disturbance and waste generation; we have measures in place to prevent pollution and responsibly manage water resources, while we seek to constantly improve methods for effective closure planning.

Surplus water – developing solutions for the future

In July 2012 Marandoo commenced dewatering in preparation for below water table mining.

To manage dewatering surplus, we developed the Marandoo Integrated Water Supply Scheme – a solution which seeks to maximise the value of the water resource for positive economic, social and environmental outcomes. Excess water is supplied to the Marandoo mine operation and accommodation village; contributes to the Tom Price water supply; and can reinject water to the Southern Fortescue borefield. Some of the surplus water is also now sent to the Hamersley Agricultural Project (HAP) to grow hay on a commercial scale and to supplement our pastoral stations. Progressive commissioning of the HAP scheme at Marandoo commenced in October 2012. During 2012 the scheme beneficially used approximately 2.5 gigalitres of water that would otherwise have been discharged to surface drainage.

Stringent conditions are in place for the HAP, with environmental monitoring requirements and limitations on species of hay we can grow. The HAP is just one element of the Marandoo Integrated Water Supply Scheme, and is beginning to demonstrate synergies between mining and agriculture, with significant benefits for both sectors.
Water usage
Several factors contributed to improved water efficiency in 2012, in which the volume of water used remained steady as our shipped tonnes increased. Water use per tonne of product railed can vary significantly over time. With a substantial fixed volume of water used, overall water use is highly dependent on the number of tonnes processed and railed.

Rainfall and climatic variables also impact on water requirements. As 2012 was an average year for rainfall, extra water was required for dust suppression compared to drier years.

An increase in recycled water used during 2012 at Mesa J and Cape Lambert resulted in reduced fresh water use at these operations. Initiatives to improve water monitoring and employee awareness of water related issues have contributed to successful water management.

We have continually achieved our annual targets for freshwater use, set in 2008, and the process for setting a new target will be undertaken in 2013.

Freshwater used per tonne railed (litres)

Surplus water
Freshwater discharge figures have increased over the past five years, coinciding with the commencement of below water table mining. A large proportion of the increase in total dewatering volume and surplus water is attributable to our Marandoo operation, which commenced dewatering in 2012.

A proportion of the total dewatering volume is either used locally at mine sites to meet operational requirements or beneficially used, for example for pastoral station use or contribution to town water supply. The freshwater discharge volume accounts for the remaining volume as surplus water.

Surplus water volumes for 2013 are expected to increase further, as additional tonnes are produced to meet our growth programme. Increased volumes are expected from Marandoo, Yandicoogina and West Angelas, as well as Naminudji, Hope Downs 4 and Western Turner Syncline as they commence dewatering.

Freshwater discharged to the environment (million litres)

Energy efficiency and climate change
Rio Tinto accepts the science that greenhouse gas (GHG) emissions from human activities are contributing to global climate change. The effects of climate change are likely to impact our operations and communities in a variety of ways over time, including more severe cyclones and storm events and changes to rainfall patterns. For our Iron Ore business in Western Australia, GHG emissions come predominantly from the generation of electricity at our power stations and the diesel consumed in our mines and by our trains. Reduction of our emissions intensity remains important, not only as a way to minimise our impact on the environment, but also to manage the large costs associated with energy.

Greenhouse gas emissions performance
GHG emissions intensity increased by 2.35 per cent in 2012 from 8.95 to 9.16 tonnes carbon dioxide equivalent per kilotonne of shipped product (tCO₂-e/kt shipped). This increase is attributed to higher emissions from land clearing for new mining areas and increased waste material movement and reload at mines.

Five Year performance is tracking to plan and we expect to meet our 2013 target of 9.45 tCO₂-e/kt shipped.

Greenhouse gas emissions intensity (tCO₂-e/kt shipped product)

Highlights
Approval was received for the construction of the power station at Cape Lambert, incorporating combined cycle technology. The power station, when commissioned, will result in a step change improvement of the electricity generation efficiency across our Pilbara network.

Energy efficiency opportunities progressed, with a focus on central fixed plant opportunities, and implementation of 42 further opportunities, saving a total of 808 terajoules of energy.

Our energy efficiency strategy for our expansion projects was rolled out with:
- energy efficiency considerations applied to pre-feasibility studies for planned operations, and incorporated into internal engineering design standards, providing clear guidance on what considerations are expected and a framework for future designs; and
- energy efficiency assessments completed at Yandicoogina, Naminudji below water table Silvergrass East, Western Turner Syncline 2, Brockman 4 Phase 3 dry plant, identified a total of 35 opportunities.
Living water surveys

Regular monitoring in and around Weeli Wolli Creek is required as a condition of our environmental approvals. We monitor water quality, water levels and sample aquatic biota (including microinvertebrates, macroinvertebrates and fish) to note any changes over time.

An important element of the monitoring activities is the freshwater ecology or ‘living water surveys’ that are done twice a year in partnership with Traditional Owners. This sampling programme has continued on a six monthly basis since September 2007, led by a consultant on our behalf, and involves women from the Banjima and Nyiyaparli Traditional Owner groups, along with employees from our operations. Through this partnership, participants are able to see first hand what is happening in the creek. In addition to meeting our obligations to monitor the health of the system, we have also learnt much about the cultural significance of Weeli Wolli, including important sites, dreamtime stories and bush tucker.

Biodiversity DNA barcoding

A collaborative project has resulted in a new approach for rapid identification of trapdoor spider species.

Many species of trapdoor spiders are known, or thought to be. Short Range Endemic (SRE) species with very localised distributions (typically less than 10,000 square kilometres) are of high conservation significance because their limited distribution can make them vulnerable to the impacts of mining and other disturbances. In the Pilbara very few species of trapdoor spiders have been formally described, and this makes it difficult to determine whether spiders collected during baseline biological surveys are truly SRE species or not.

This study successfully developed a molecular framework for the identification of trapdoor spiders using a technique known as DNA barcoding. The framework allows species of trapdoor spiders to be rapidly identified and compared to previously collected trapdoor spider specimens. Researchers can then determine whether the spider belongs to a widely distributed species, a species that is known to be an SRE, or if the spider is a new species with uncertain SRE status.

The new approach is much quicker than traditional techniques and therefore allows more precise information on conservation significance of species to be understood when assessing potential environmental impacts.

This is a collaborative project between Rio Tinto, BHP Billiton, the Western Australian Museum, Biota Environmental Sciences and Helix Molecular Solutions.

Weed control benefits our environment

As part of our weed strategy, we undertook a comprehensive spray programme in 2012 to target the Mesquite species on Yarraloola station.

One of our six pastoral stations, Yarraloola is located on the coast approximately 140 kilometres southwest of Karratha. Mesquite (Prosopis species) is a weed of national significance and is a declared plant under the Agriculture and Related Resources Protection Act 1976. Mesquite can form dense, impenetrable, thorny thickets along watercourses, floodplains and grasslands. Mesquite out-compets native plants, impacts on feedstock and makes the land inaccessible for people and animals.

The unique spray programme was undertaken in cooperation with the Pilbara Mesquite Management Committee and the Western Australian Department of Agriculture and Food using GPS-equipped quad bikes. Eleven thousand five hundred mesquite plants were eradicated over an area of 11,061 hectares – five percent of the total area of Yarraloola.

The programme exceeded expectations, particularly regaining the level of coverage and the effectiveness of spraying on weed population. A long term commitment is required to control and eradicate Mesquite due to the virulence of the plant and the long term viability of the seed.
Air quality
Dust management remains the air quality issue of greatest interest to our stakeholders. Our local port operations at Dampier and Cape Lambert and our inland mining operations have each established rigorous management practices and monitoring programmes to address this issue. Our aim is to maintain or decrease dust generation, despite increases in production and construction of infrastructure in conjunction with our expansion programme. Improvements have been made in managing dust at our operations, and we will continue to maintain our focus on dust management and improving employee knowledge of related procedures.

Dust
Particulates are monitored at a range of locations surrounding our port operations, including Point Samson, Wickham and Roebourne as well as multiple locations in Dampier and Karratha. Monitoring data is made available publicly and is presented biannually at the Coastal Community Environmental Forum. Air quality performance reports are regularly submitted to government, and exceedance of criteria for particulate matter less than 10 micron in diameter (PM10) are recorded and reported as incidents. During 2012 our Dampier operation met the internal goal of zero long term PM10 exceedances over a 24 hour period that could potentially be attributed to our operations. Our Cape Lambert operation reported three dust exceedances, all at Point Samson, in October and November. The exceedances coincided with high regional dust levels.

Highlights
Dampier port operations successfully trialled a chemical dust suppressant product for application on open areas. The suppressant has been effective in areas which are not subject to vehicle movements.

Installation of an on-site dust monitoring network during the construction of Cape Lambert Port B to track dust levels and manage our activities to prevent off site impacts. The new infrastructure has also incorporated dust minimisation features as part of its design.

A proactive approach to dust management
Our Dampier port operation implemented a predictive dust model, specifically developed for Parker Point and East Intercoast Island, as a tool to help control dust emissions.

The model predicts 48 hours ahead, allowing preventative dust mitigation measures to be applied when they are most effective. Plume development can be modelled for either particulate matter less than 10 micron in diameter (PM10) or total suspended particulates. In response to the model prediction, a daily dust management report provides dust risk alerts and outlines actions to be taken to prevent exceedances.

Warnings include the prediction of expected high dust concentrations in the community and also alert the operation to significant visible dust plumes.

The model’s graphic display shows the locations and size of predicted dust plumes, a dust concentration gradient, wind direction and strength, and the location of sensitive receptors. The model automatically updates every 12 hours.

Waste management
Appropriate waste management is an important consideration for all Rio Tinto businesses due to the potential for undesirable health, safety and environmental impacts. Ongoing community interest in the sustainable use of natural resources has also increased the emphasis placed on reuse and recycling. We aim to minimise waste generation and ensure the safe handling, treatment, storage and disposal of all generated waste.

Mineral waste
Mineral waste refers to the waste generated by mining and the processing of ore, such as waste rock and tailings. The mineral waste risk requiring greatest management focus at our sites is from potential acid forming material, in particular sulfidic black shale, a geological formation in some of our ore bodies. This material is managed by early identification in risk assessments, geochemical characterisation, management plans, standard working procedures and training.

Mineral waste impact can also be generated from stockpiling of overburden material which sits above ore bodies at our mines. Stockpiling of this waste can require large areas of land, and consideration of final mine closure requirements as part of mine planning.

Non-mineral waste
Non-mineral waste refers to the waste generated by non-mining activities, some of which is disposed on site, and some taken off site. Recycling activities are undertaken on a site-by-site basis, with campaigns focusing on specific materials.

Disposal of non-mineral waste
Although we have seen an upward trend in the data over the past five years, this is reflective of changes in data capture for non-mineral waste across sites, making it difficult to draw strong conclusions. Part of the increase has been due to the clean-up of laydown yards and historic waste stockpiling in some locations. Other contributing factors include mine expansions, demolition works and improved information capture.

Keep Australia Beautiful
We have an agreement with the Keep Australia Beautiful Council to sponsor litter packs in 2012 and 2013, and 20,000 packs went to communities for their use in 2012.

We also implemented a Great Northern Clean-up activity at all towns and most of our fly in fly out camps, and many of our staff participated in Clean Up Australia Day events across the state.

Employees and families help out on Clean Up Australia Day.
Rehabilitation

Areas disturbed by our activities are described using several sub-categories:
- Areas disturbed for infrastructure;
- Areas still under active operational use; and
- Areas under active rehabilitation.

Areas disturbed for infrastructure include power line corridors, railways, roads and buildings such as offices, workshops and processing plants. These disturbed areas are utilised for long periods and often will not be rehabilitated until mine closure occurs and infrastructure is no longer required.

Disturbed areas under operational use are those areas which are still being actively used for the production of iron ore. This includes areas that may not be active currently, but will be mined again before the end of mine life for lower grade products, or products that will meet product grade through blending. Ongoing disturbance to these areas means any interim rehabilitation would not provide the best use for valuable topsoil and seed resources. The size of this category is increasing as we expand our operations.

Areas under active rehabilitation are those areas on which rehabilitation works have been conducted. Areas include land cleared for our expansion projects which are no longer required and have been rehabilitated, as well as areas which are no longer required for operations and have been rehabilitated.

At the end of 2012, 11 per cent of available disturbed land was under rehabilitation – a decrease on previous years attributed to the increase in land disturbance associated with business expansion. This trend is expected to continue in 2013. It was necessary to defer several rehabilitation projects planned for completion in 2012. In most cases this was the direct result of the areas being required for operational purposes beyond their expected finish date and therefore unavailable for rehabilitation. In one case this was due to the lack of accommodation available for the rehabilitation team to perform the work.

Disturbance footprint (hectares)

Proportion of available disturbed land under active rehabilitation

Closure planning

Closure planning is important in satisfying our commitment to leave a positive legacy even after our operations cease. Effective closure planning is undertaken to minimise adverse social and environmental impacts in a cost effective manner.

Planning for mine closure is a collaborative process involving multiple Iron Ore teams and key stakeholders to establish appropriate closure criteria aimed at achieving long term benefits. Closure planning commences at the beginning of mine planning and continues through construction, operation and eventual decommissioning phases.

The State Government closure guidelines introduced in 2011 require increased levels of detail to be submitted during the environmental approval process. As a result, our closure planning during 2012 focussed on upcoming projects rather than the update of operational plans.

HIs melt closure plan accepted

A final closure plan for the Kwinana HIs melt (high intensity smelting) plant was submitted to the State Government in March 2012, in response to a decision by the joint venture partners in late 2010 to close the plant. The plant ceased operation in 2008 and was in care and maintenance for two years.

The HIs melt plant is the world’s first commercial direct smelting process for making iron straight from the ore using non-coking coals. HIs melt technology brings many advantages to the steelmaking industry, such as lower environmental impact, lower operating costs, lower capital intensity and greater flexibility.

A decommissioning study team was formed to work through compliance requirements, engineering studies and contaminated sites studies. Consultation with local stakeholders and government was an essential part of the study.

The State Government accepted the HIs melt Final Closure Plan in September 2013, which enabled arrangements for decommissioning to be made including the appointment of a contractor for the demolition works.

The HIs melt Final Closure Plan was the first full site decommissioning plan produced within Iron Ore and will set the benchmark for future decommissioning plans.

While the Kwinana plant will be decommissioned, the HIs melt technology will continue. An in-principle agreement has been reached with a Chinese steel company for the construction of a new HIs melt plant in the Shandong Province, using some of the equipment from the former Kwinana plant.
Economic performance

We aim to deliver economic value from our assets and resources and to ensure our communities benefit from the value generated by our operations. Sound economic performance is supported by the sustainable delivery of our operations in a way which also meets the expectations of our key stakeholders.

In 2012 the iron ore mining sector in Western Australia experienced a shift towards a capital constrained environment, in part related to a drop in the iron ore price, but also reflecting global economic circumstances. Our highly efficient, fully integrated mine, rail and port network in the Pilbara, and careful consideration of capital expenditure, will enable our iron ore production to grow in 2013, strengthening our ability to respond to expected customer demand. In response to changing market conditions we have placed significant focus on improving productivity, managing costs and prioritising capital.

Ore shipped

Sales increased in each quarter throughout 2012, resulting in record annual sales volumes despite volatility in the marketplace and severe weather disruptions during the first quarter. A significant scheduled shut-down at the Cape Lambert facilities in the second quarter also impacted sales.

The 45 per cent increase in iron ore shipments since 2007 from 161 to 233 million tonnes (100 per cent basis) has been due to operational improvements, capacity increases and upgrades across our business.

The expansion of our Pilbara infrastructure to 290 million tonnes per annum by the end of 2013 and 360 million tonnes per annum by the first half of 2015 is approved and remains on track.

We take care to manage safety aspects of our products, complying with International Maritime Organisation circulars on the safe carriage of iron ore fines and improving measurement of airborne particulates to minimise health impacts.

Highlights

Expansion activities gathered pace in the Pilbara. The Wandoo housing project and Hope Downs 4 permanent accommodation village were completed, as was infrastructure at the 8 Mile rail yard.

Cape Lambert dredging for the 360 million tonne per annum expansion is complete. Piling and topside module installation for the expansion of Cape Lambert to 290 million tonnes per annum has also been completed. The Cape Lambert power station has ceased operation and demolition work has commenced to allow space for infrastructure for the new port.

We continued to extend the life of our existing assets with statutory approvals obtained to allow bulk earthworks for the Yandicoogina sustaining project and early works funding approved for the West Angelas Deposit B sustaining project.

Brockman 4 Phase 2 is now commissioned and running at full capacity. The Dampier incremental expansion is also fully operational.
Economic contribution

As a long term operator in the Pilbara, we consider the total value chain, from supplier and local business development through to product stewardship considerations for end users of our products. We have developed strong governance systems ensuring we plan, implement and deliver sustainable contributions to social wellbeing, environmental stewardship and economic prosperity.

The wealth created from our operations in the Pilbara support community infrastructure, health care and education programmes and deliver financial dividends for our shareholders. Our programmes to increase capacity of local suppliers and employees encourage local content. Our baseline community assessments enable us to address economic or social impacts arising from our activities.

Growth programme

In June 2012 we announced an investment of $3.5 billion (Rio Tinto share $2.0 billion) over the next four years to complete the port and rail elements of our expansion, which will see our production increase to 360 million tonnes per annum in 2015.

The programme will see our operations grow by more than 50 per cent through a combination of new developments and mine life extensions. This major investment in our future will place us in a strong position to capitalise on forecast growth in demand from China and other developing regions over the long term.

We recognise that this significant programme will present challenges and opportunities, including attracting appropriately skilled workers for growth and managing the pressures on accommodation and services in the Pilbara.

We also announced a $318 million (Rio Tinto share US$478 million) investment in autonomous trains for the Pilbara rail network.

Several important milestones are planned for 2013, including new or expanded mining operations, operation of the new car dumper and shipping from Cape Lambert Port B, operation of the Coastal Water Supply Project and delivering the Wickham accommodation programme.

Total revenue – Rio Tinto share

Over the past five years total revenue has increased substantially from US$13.7 billion in 2008 to US$22.2 billion in 2012. Higher production volumes and iron ore prices contributed to this positive result, underpinned by significant growth in global demand and increased efficiencies at our Pilbara operations. Revenue decreased from 2011 due to lower iron ore prices.

Total revenue - Rio Tinto share (USD$ M)

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Total payments to government

Total payments to government increased slightly in 2012, even though total revenue decreased. This was largely due to the increase in corporate tax payments, with taxation being calculated based on our 2011 performance.

Total payments to government (AUD$ M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
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<th>2009</th>
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Data excludes: Dampier Salt and HIsmelt.

Feedback

Let us know your thoughts on our Sustainable development report.

After printing and completing the form, send reply paid post to the address provided below. Alternatively, you can email it direct to IronOreSDReport@riotinto.com

How would you rate our performance?

Health, safety and wellbeing

Aboriginal culture and heritage

Working in the community

Community investment

Environmental practices

What did you think of this report?

Yes Partially No

Did this report meet your information needs?

Did you find this report to be transparent and open?

Did you find the information easy to understand?

Does this report provide enough detail?

General comments

What is your interest in this report?

Employee Industry member Educator/student

Shareholder Government representative Customer

Community Special interest group Contractor/supplier

Would you like us to respond to your comments? If so, please provide your contact details below:

Name:

Address:

Email:

Thank you for taking the time to complete and return this form. We value your thoughts and comments.

Print and post (reply paid)

Sustainable development report Health, Safety and Environment Rio Tinto Iron Ore 152-158 St Georges Terrace Perth WA 6000

Email

Email the completed form as an attachment to: IronOreSDReport@riotinto.com