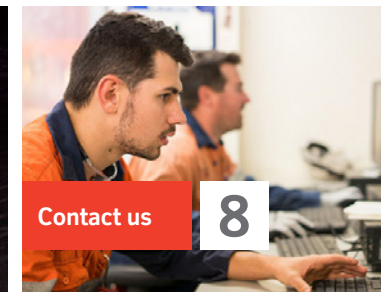


Rio Tinto Coal Australia sustainable development report 2015





From the managing director

I am pleased to present Rio Tinto Coal Australia's (RTCA) 2015 sustainable development report. In yet another challenging year for the coal industry, we have remained committed and transparent on our safety, environment, employment, and community reporting, and our contributions that have benefited nearby communities and businesses.

I am particularly proud of the significant improvements made to keep our people safe. In 2015 we recorded our lowest ever all injury frequency rate and introduced some important frameworks that address the safety risks our people face every day. Safety continues to be our first priority, and in 2016 we will be looking to focus on fatality prevention at all of our operations.

Despite the market challenges, we are proud to have invested more than A\$5.9 million over 319 programmes benefiting the local communities surrounding our operations. We also spent A\$914 million with more than 1100 local suppliers. I am confident we can continue this great partnership with our community members and suppliers in 2016.

As always, we work hard to minimise the environmental impacts of our operations. Transparency in our reporting is important to us, and last year we made excellent progress to improve our reporting mechanisms and frequency across all of our operations.

In September 2015, we signed an agreement for the sale of our 40 per cent interest in the Bengalla Joint Venture to New Hope Corporation for US\$606 million. This sale was completed on 1 March 2016, therefore Bengalla Joint Venture has been included in this report, unless otherwise indicated.

Our goal is to be a long-term, sustainable business that delivers significant direct and indirect benefits to the areas in which we operate. We cannot do that without the support and collaboration of our local communities.

A handwritten signature in black ink that reads "Sinead Kaufman".

Sinead Kaufman
Managing director
Coal

2

Sustainable development at RTCA



For RTCA, sustainable development is about acting responsibly and managing risks so the environment and communities in which we operate are there for the future generations to enjoy.

Mining and producing coal can make a huge contribution to present and future generations through the supply of affordable and reliable energy, local employment opportunities and support of associated businesses. However, if not managed properly, our activities have the ability to detract from the local environment and our local communities.

In this report, you will read about our performance and priorities from the past year, with detailed scorecards from each of our mine sites, with the exception of Bengalla.

Information contained in this report is provided on a consolidated basis and joint ventures are reported on a 100 per cent managed basis unless otherwise specified. Where we have reported RTCA figures as a whole, Bengalla has been included, unless otherwise indicated.

Our approach to sustainable development follows our global code of business conduct, *The way we work*. This commitment is also reinforced by our policies on sustainable development, human rights, environment, transparency and business integrity.

About our performance data

The performance data presented is for RTCA businesses during the 2015 calendar year. All data is considered to be a true and accurate record at the date of reporting. Changes may occur from time-to-time that may impact the accuracy of this data in future years.

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 and product group level.

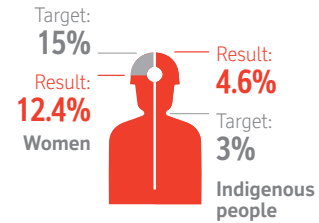
Sustainable development in action at RTCA

On [our website](#) you will find case studies and media releases showcasing the work we're doing to support our communities, and links to our latest Environment Protection Licence Monitoring Data.

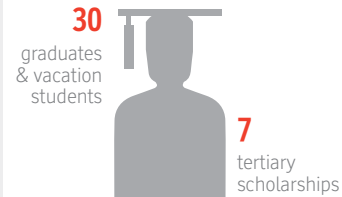
2015 IN FOCUS

2015 was another challenging year, but the work of our whole team helped improve the future of our operations. We saw many positive improvements in 2015, especially relating to safety and cost reduction efforts, setting us up for continued operation and growth into the future.

Diversity in the workforce



Future leaders



Environmental incidents



Community engagement



Rehabilitated land



Community investment



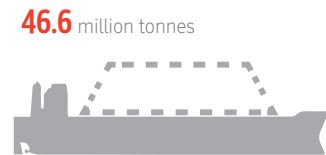
Community complaints



Cultural heritage sites



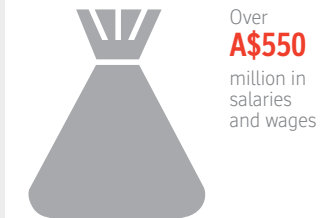
Saleable tonnes



Taxes and royalties



Salaries, benefits and wages



Local suppliers



Safety performance

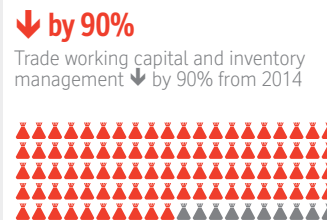
Our lowest recorded AIFR in RTCA's history.



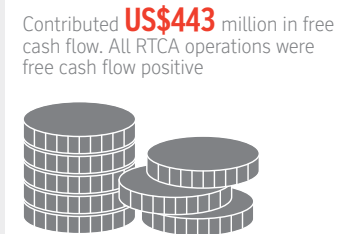
Fatigue monitoring



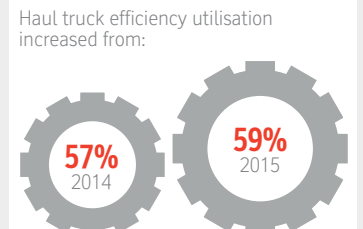
Reducing working capital



Reducing costs



Driving efficiencies



3

Health and safety



ZERO
harm is our goal.

We are committed to a fatality, incident and injury free workplace, with a goal of zero harm. Maintaining the safety of our people is the highest priority for our business.

At RTCA, during 2015 we saw significant improvements in our safety performance, included the following highlights:

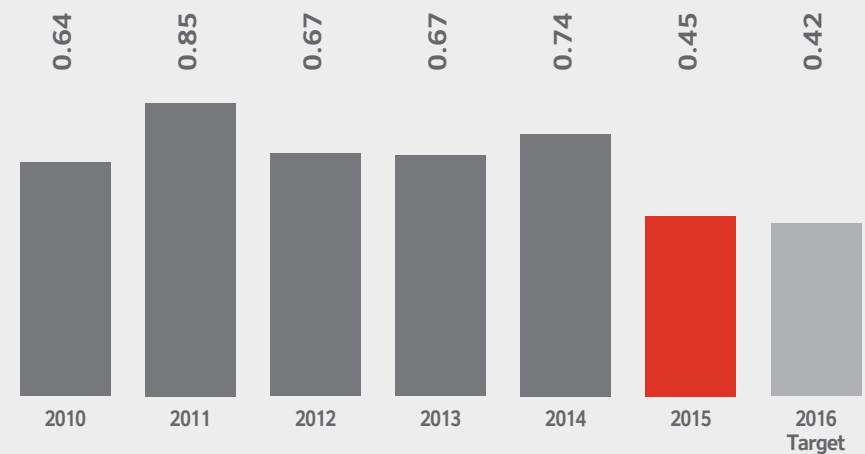
- Our all injury frequency rate (AIFR), one of our key safety measures, improved from 0.74 to 0.45 per 200,000 hours worked. This is the lowest recorded AIFR in RTCA's history
- Our total number of injuries decreased from 48 in 2014 to 28 in 2015

- Only one occupational illness was recorded in 2015 - this was a noise induced hearing loss
- The implementation of critical risk management (CRM), a programme to manage fatality risks at our operations, commenced
- We standardised our mental health framework across all of our RTCA operations

All injury frequency rate (AIFR):

the total number of injuries (lost time injuries and medical treatment cases) per 200,000 hours worked.

All injury frequency rate (AIFR)



3

Health and safety

2015 priorities	Performance		2016 priorities
	Result	Commentary	
Zero fatalities.	✓ Zero	<ul style="list-style-type: none"> Fatality prevention remains a core focus for RTCA through the implementation and embedding of CRM. 	<ul style="list-style-type: none"> Implement and embed CRM across all RTCA operations.
All injury frequency rate (AIFR) <0.68.	✓ 0.45	<ul style="list-style-type: none"> 39% reduction in injuries from 2014. Our lowest ever recorded AIFR. 	<ul style="list-style-type: none"> AIFR <0.42 Implementation of safety improvement plans.
Review RTCA material health risks and implement associated <i>Critical Control Monitoring Plans</i> (CCMP).	✓	<ul style="list-style-type: none"> Material health risks reviewed and CCMPs implemented across all RTCA operations. 	<ul style="list-style-type: none"> Pilot health risk management programme, ensuring controls are effective at the frontline.
Implement the RTCA <i>Standardised Mental Health Framework</i> .	✓	<ul style="list-style-type: none"> Implemented <i>Standardised Mental Health Framework</i>. Active participation in industry mental health research. 	<ul style="list-style-type: none"> Embed framework, review for effectiveness and implement improvements.
Embed the RTCA <i>Fatigue Management Framework</i> .	✓	<ul style="list-style-type: none"> <i>Fatigue Management Framework</i> embedded across all RTCA operations. Use of technology such as proximity detection and individual fatigue monitoring to support this framework. SmartCap study completed, supporting the technology's effectiveness at reducing fatigue related incidents. 	<ul style="list-style-type: none"> Review effectiveness and identify improvement opportunities.
Provide leaders the skills and time to effectively lead and engage in the field.	✓	<ul style="list-style-type: none"> Implementation of a number of work streams in the <i>Safety Improvement Plan</i>. 	<ul style="list-style-type: none"> Implementation of leadership development programme.
Re-design the investigation process.	✓	<ul style="list-style-type: none"> New investigation process and methodology implemented across RTCA. 	<ul style="list-style-type: none"> Continue use of <i>Essential Factors</i> methodology for incident investigation.
Integrating the new Rio Tinto HSEC Standards.	✓	<ul style="list-style-type: none"> Gap analysis completed against new Standards. Internal audits completed against new Standards. 	<ul style="list-style-type: none"> Undertake audits to confirm compliance and management of HSEC risks.

4

People



5100+ people keep our business running.

We aim to be an employer of choice. We recognise the importance of attracting, developing and retaining people with diverse backgrounds in our business and realise the benefits of developing the skills of others.

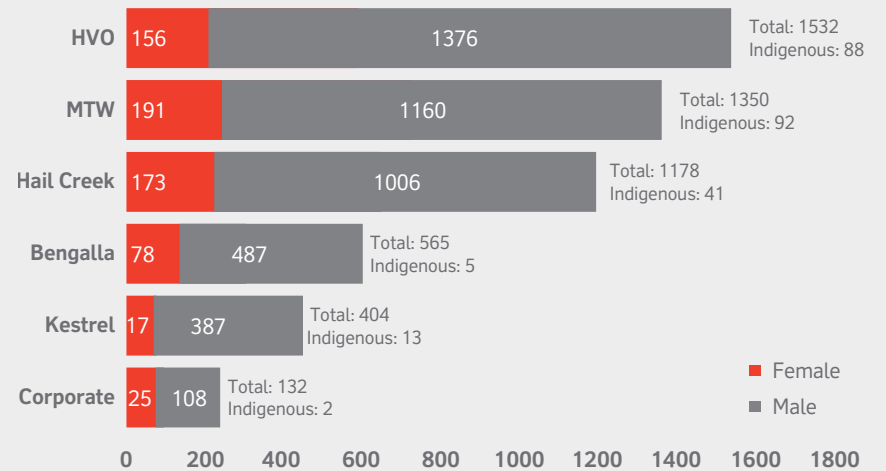
Rio Tinto employees celebrated at Queensland's Resources Awards for Women

Two Rio Tinto employees have been named as winners at Queensland's Resources Awards for Women, recognising their contributions in creating pathways for women in the mining sector.

[> Read more](#)



Diversity in our workforce*



*Includes category 1 contractors

4

People

In 2015, our highlights in relation to employee diversity included:

2015 priorities	Performance		2016 target
	Result	Commentary	
Encourage workplace diversity: <ul style="list-style-type: none"> • Target 15% female representation • Target 3% Indigenous representation 	✘ 12.4% ✔ 4.6%	<ul style="list-style-type: none"> • In 2015, there was a strong focus on reducing overall employee numbers across the business. • A standout achievement was our Indigenous representation across RTCA, despite this reduction in overall employee numbers. 	<ul style="list-style-type: none"> • Target 16% female representation. • Target 5% Indigenous representation.
Developing future leaders: <ul style="list-style-type: none"> • Graduates and vacation students • Tertiary scholarships 	✔ 30 ✔ 7	<ul style="list-style-type: none"> • 19 graduates and 11 vacation students. • Two scholarships at the University of Queensland. • Five scholarships at Central Queensland University. 	<ul style="list-style-type: none"> • Continue to support graduate students. • Vacation student employment opportunities. • Two tertiary scholarships for Indigenous students. • Two scholarships at the University of Queensland. • Five scholarships at Central Queensland University.
Introduce direct engagement programmes and flexible work arrangements to encourage further workplace diversity and inclusion.	✔	Numerous examples of flexible working arrangements underway across RTCA in 2015 including: <ul style="list-style-type: none"> • Operators working job share arrangements in our Hunter Valley Operations • Employees returning from parental leave to work partial shift patterns. • An employee working flexible work arrangements in Queensland as an accountant • Accommodating leave policies available for employees, including instances where fathers have taken <i>Primary Carer's Leave</i>. 	<ul style="list-style-type: none"> • Continue to promote opportunities for flexible working across RTCA, targeting leader education.

5

Environment

We continually seek more environmentally friendly ways to run our business. Wherever possible we prevent – or otherwise minimise, mitigate and remediate – environmental impacts.

We saw an increase in our reported environmental incident frequency rate (EIFR) in 2015 (0.34) compared with 2014 (0.24), as we made improvements to transparency and consistent reporting across our sites.

Cattle thrive in rehabilitated mining land trial

A recent study shows that cattle is thriving on land which has been rehabilitated by Rio Tinto after mining, weighing on average 150 kilograms heavier than cattle which have grazed on unmined farming land.

> [Read more here.](#)



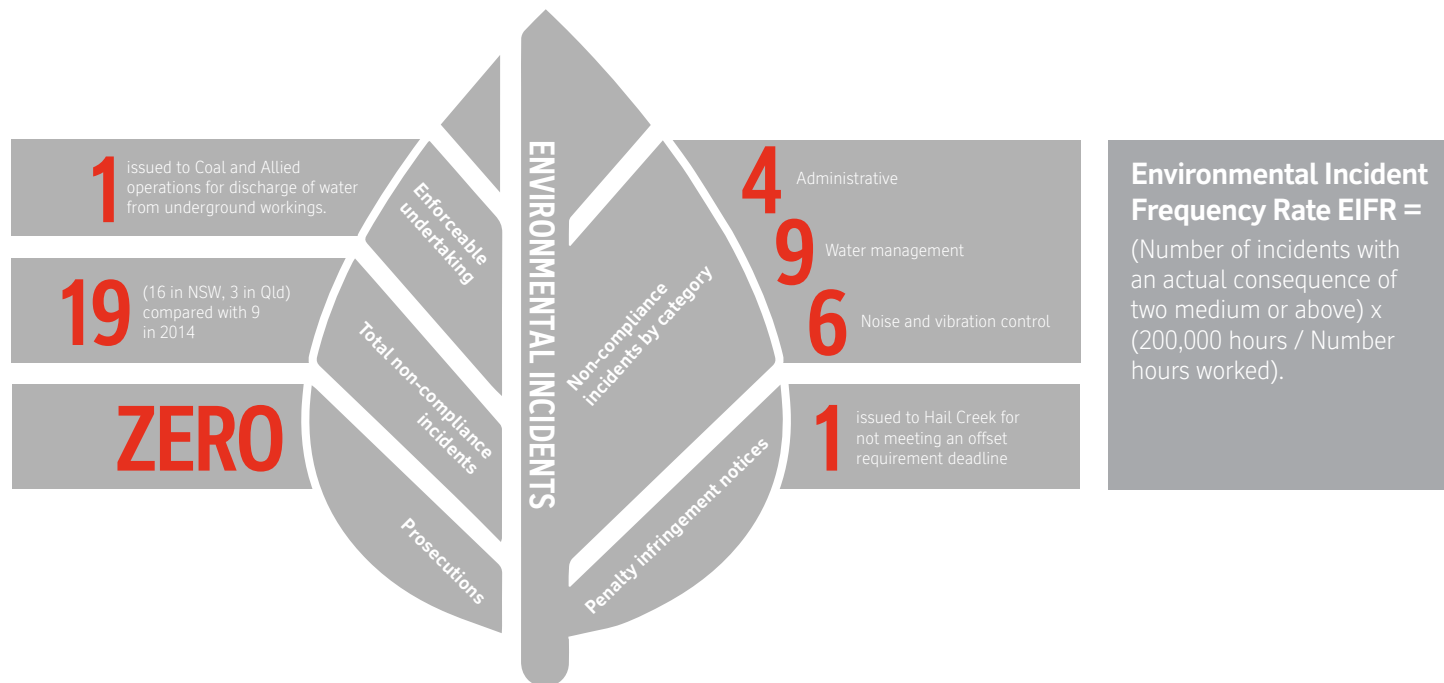
All sites were close to or in excess of their rehabilitation targets, with over 320 hectares rehabilitated in 2015.

5

Environment

During 2015 our environmental performance focused on the following areas of improvement:

2015 priorities	Performance		2016 target
	Result	Commentary	
Improve environmental incident reporting and management.	✓	<ul style="list-style-type: none"> Drafted updated guidelines. Monthly reviews implemented. 	<ul style="list-style-type: none"> Further benchmarking and alignment across Copper and Coal operations.
Internal site rehabilitation targets met.	✓	<ul style="list-style-type: none"> Improve rehabilitation results by introducing an overarching rehabilitation strategy. 	<ul style="list-style-type: none"> Complete rehabilitation strategy.
Improve environmental risk assessment process.	🔄 Ongoing	<ul style="list-style-type: none"> Risk assessments reviewed at most operational sites. 	<ul style="list-style-type: none"> Annual review of risk registers.

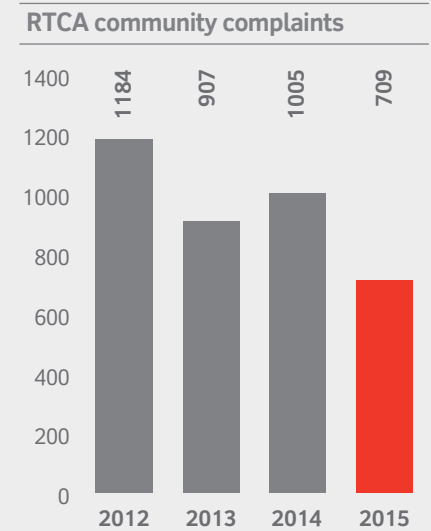


6

Communities and government



Good community relations is as necessary for our business success as the effective management of our operations. This belief is at the heart of our overall approach to our work with communities and is why we work hard to build good quality relationships with the people in the areas where we operate.



A\$5.9m spent on community programmes.

6

Communities and government

In 2015, we are pleased to have contributed to our New South Wales and Queensland communities in the following ways:

2015 priorities	Performance		2016 target
	Result	Commentary	
<p>Investing in our communities:</p> <p>Implement actions from the review of the community investment mechanisms.</p>	<p>✓</p> <p>\$5.9 million spent on 319 community programmes.</p>	<ul style="list-style-type: none"> Community investment review was undertaken Continued our support for community investment through the Coal & Allied Community Development Funds (CDF), Aboriginal Community Development Funds (ACDF) and Trusts. The Sponsorship and Donations Committees continue to fund community initiatives at all RTCA sites. RTCA's chief operating officer now chairs the Coal & Allied CDF. 	<ul style="list-style-type: none"> Implement actions resulting from the review of the community investment mechanisms.
<p>Actively engaging with our communities:</p> <p>Improve our stakeholder engagement plans, with particular focus on Aboriginal communities and government regulators.</p>	<p>✓</p> <ul style="list-style-type: none"> Almost 300 formal stakeholder engagements recorded. 29% decrease in community complaints from 2014. 32 projects recorded for preserving culture with local Aboriginal community representatives. 	<ul style="list-style-type: none"> Community and regulator engagements for development approvals and operational management. Planning underway for the new Reconciliation Action Plan (RAP). Continued engagement with regulators and peak groups on key industry issues. 	<ul style="list-style-type: none"> Improve our stakeholder engagement plans, with a particular focus on Aboriginal communities and government regulators. Implementation of RAP initiatives. Each operation to agree on local initiatives that focus on economic benefits and complaint management.
<p>Zero unauthorised cultural heritage disturbances.</p>	<p>✓</p> <p>Zero</p>	<ul style="list-style-type: none"> Ground disturbance permit system in place to manage disturbance risks. Aboriginal community representatives involved in compliance audits at all operations and projects. 	<ul style="list-style-type: none"> Zero unauthorised cultural heritage disturbances.
<p>Implement actions resulting from the social risk assessments.</p>	<p>✓</p> <p>Complete</p>	<ul style="list-style-type: none"> All 2014 social risk assessment actions tracked, monitored and closed. 	<ul style="list-style-type: none"> Future social risks are considered as part of Rio Tinto planning.

6

Communities and government

2015 priorities	Performance		2016 target
	Result	Commentary	
Continue to update heritage work plan, establish native title agreements for new areas, and develop new agreements commitments registers.	<p>✓</p> <ul style="list-style-type: none"> Heritage work plans aligned with annual operating plans in place for all operations and projects. 18 cultural heritage and native title meetings with Aboriginal parties. Compliance with native title Act wwmaintained. 	<ul style="list-style-type: none"> Heritage work plans developed and revised in consultation with Aboriginal parties. Consultation commenced with Widi People for new cultural heritage management plan for Hail Creek Mine. Compliance registers maintained. 	<ul style="list-style-type: none"> Continue to update heritage work plan, establish native title agreements for new areas, and develop new agreements commitments registers. Conservation and management plans established for culturally significant areas at operations.
Continue to develop initiatives for Aboriginal employee recruitment, retention and monitoring.	<p>✓</p> <ul style="list-style-type: none"> Indigenous employees and contractors make up 4% of RTCA workforce. 	<ul style="list-style-type: none"> Implemented initiatives with key contractors to increase Indigenous employment . Diversity and inclusion groups have been established at all RTCA operations. HVO has established an Aboriginal dialogue group to further onsite initiatives Acknowledgment of Country signs have been placed at all major entrances to HVO as a daily reminder of the connection between this land and its Traditional Owners. 	<ul style="list-style-type: none"> Continue to develop initiatives for Aboriginal employee recruitment, retention and monitoring.

7

Site reports



The following site reports highlight the sustainable development performance of our individual operations. For more information about each of our operations, visit [our website](#).

Queensland operations

- Mackay
- Hail Creek
- Kestrel Mine
- Gladstone
- Brisbane

New South Wales operations

- Mount Pleasant Project
- Bengalla
- Hunter Valley Operations
- Mount Thorley Warkworth
- Newcastle
- Sydney

- Projects
- Operations
- Location

7

Site reports

Queensland: Hail Creek Mine

Area		2013	2014	2015
Employees (as at December) ¹	Male	815	734	703
	Female	142	125	114
	Total	957	859	817
Production (million tonnes)		7.0	8.8	9.5
All injury frequency rate (AIFR)		0.83	0.74	0.50
Proportion of recycled water used (%) ²		7	2	62.5
Proportion of non-mineral waste recycled (%)		65.5	58.8	50
Energy use (gigajoules per tonne of material moved)		0.017	0.017	0.016
Greenhouse gas emissions (kg C ⁰ 2-e per tonne of equivalent material moved)		2.15	2.17	1.94
Annual rehabilitation (hectares)		11	140	23
Annual disturbance (hectares, not including infrastructure area)		104	560	53
Community complaints		3	1	1
Community investment (A\$) ³		\$693,437	\$241,000 ⁴	\$1,376,158
Spend on suppliers (A\$)	Local ⁵	\$195 million on 257 suppliers	\$195 million on 236 suppliers	\$95 million on 143 suppliers ⁶
	Rest of Queensland	\$328 million on 280 suppliers	\$205 million on 268 suppliers	\$263 million on 341 suppliers
	Rest of Australia	\$242 million on 199 suppliers	\$273 million on 175 suppliers	\$240 million on 206 suppliers

1 Direct employees only – excludes category 1 contractors

2 Amendments to the tailings disposal system over the 2015 period have seen the return from the tailings area increase back to pre-2014 levels at Hail Creek. This has led to an increase of water recycling between 2014 and 2015.

3 Excludes management costs

4 Amendments to the previously reported 2014 community investment figure, as annual payment for the Wiri Trust Fund was actually made in 2015. This means two Wiri Trust Fund payments were made in 2015.

5 Local defined as Mackay, Sarini, Mirani and Nebo post code areas.

6 Reduction in local spend is a combination of market competitiveness and restructuring of local supplier branches which has resulted in re-categorisation of local spend to regional spend.

7

Site reports

Queensland: Kestrel Mine

Area		2013	2014	2015
Employees (as at December) ¹	Male	418	345	331
	Female	22	17	14
	Total	440	362	345
Production (million tonnes)		3.0	2.7	4.1
All injury frequency rate (AIFR)		1.11	1.47	1.06
Proportion of recycled water used (%)		64	64	66
Proportion of non-mineral waste recycled (%)		65.4	70.5	68.7
Energy use (gigajoules per tonne of material moved)		0.140	0.141	0.091
Greenhouse gas emissions (kg C ^o 2-e per tonne of equivalent material moved)		66.77	56.42	45.61
Annual rehabilitation (hectares)		43	298	267
Annual disturbance (hectares, not including infrastructure area)		86	80	291
Community complaints		4	1	0
Community investment (A\$) ²		\$818,750	\$508,293	\$88,064
Spend on suppliers (A\$)	Local ³	\$106 million on 161 suppliers	\$48 million on 125 suppliers	\$39 million on 132 suppliers
	Rest of Queensland	\$411 million on 405 suppliers	\$113 million on 324 suppliers	\$99 million on 304 suppliers
	Rest of Australia	\$159 million on 248 suppliers	\$103 million on 213 suppliers	\$34 million on 200 suppliers

¹ Direct employees only – excludes category 1 contractors

² Excludes management costs

³ Local defined as Emerald, Capella and Tieri post code areas.

7

Site reports

New South Wales: Hunter Valley Operations

Area		2013	2014	2015
Employees (as at December) ¹	Male	894	855	881
	Female	88	88	73
	Total	982	943	954
Production (million tonnes)		13.6	13.9	13.1
All injury frequency rate (AIFR)		0.55	0.67	0.22
Proportion of recycled water used (%)		24	28	31.4
Proportion of non-mineral waste recycled (%)		85	79	76
Energy use (gigajoules per tonne of material moved)		0.019	0.019	0.018
Greenhouse gas emissions (kg CO ₂ -e per tonne of equivalent material moved)		2.05	2.12	1.96
Annual rehabilitation (hectares)		199	193	130
Annual disturbance (hectares, not including infrastructure area)		132	128	173
Community complaints		31	34	36
Community investment (A\$) ²	Site donations	\$69,120	\$90,929	\$100,000
	HV corporate sponsorships ³	\$88,867	\$288,473	\$116,556
	HV Community Development Funds ³	\$1,621,954	\$1,826,172	\$1,400,000
Spend on suppliers (A\$)	Local ⁴	\$189 million on 223 suppliers	\$194 million on 189 suppliers	\$229 million on 198 suppliers
	Rest of New South Wales	\$167 million on 323 suppliers	\$170 million on 302 suppliers	\$241 million on 283 suppliers
	Rest of Australia	\$222 million on 194 suppliers	\$209 million on 175 suppliers	\$201 million on 174 suppliers

1 Direct employees only – excludes category 1 contractors. Numbers do not include roles at Hunter Valley Services, which have shared responsibilities across different mines. These roles may be allocated to each relevant mine in other reports.

2 Excludes management costs

3 Spend common to all three Hunter Valley Mines: Bengalla, Hunter Valley Operations and Mount Thorley Warkworth.

4 Local defined as Upper Hunter, Muswellbrook, Singleton, Maitland and Cessnock local government areas.

7

Site reports

New South Wales: Mount Thorley Warkworth

Area		2013	2014	2015
Employees (as at December) ¹	Male	927	884	1160*
	Female	82	78	191*
	Total	1009	962	1351*
Production (million tonnes)		12.6	11.9	11.7
All injury frequency rate (AIFR)		0.82	0.75	0.53
Proportion of recycled water used (%)		43	44	39.9
Proportion of non-mineral waste recycled (%)		85	81.5	84
Energy use (gigajoules per tonne of material moved)		0.016	0.016	0.015
Greenhouse gas emissions (kg C ^o 2-e per tonne of equivalent material moved)		2.28	2.35	2.20
Annual rehabilitation (hectares)		62	104	75.7
Annual disturbance (hectares, not including infrastructure area)		91	123	33
Community complaints		741	911	655
Community investment (A\$) ²	Site donations	\$78,930	\$99,704	\$100,000
	HV corporate sponsorships ³	\$88,867	\$288,473	\$116,556
	HV Community Development Funds ³	\$1,621,954	\$1,826,172	\$1,400,000
Spend on suppliers (A\$)	Local ⁴	\$188 million on 228 suppliers	\$154 million on 196 suppliers	\$170 million on 202 suppliers
	Rest of New South Wales	\$147 million on 377 suppliers	\$244 million on 355 suppliers	\$225 million on 314 suppliers
	Rest of Australia	\$238 million on 198 suppliers	\$231 million on 192 suppliers	\$192 million on 157 suppliers

1 Includes category 1 contractors and direct employees. Numbers do not include roles at Hunter Valley Services, which have shared responsibilities across different mines. These roles may be allocated to each relevant mine in other reports.

2 Excludes management costs

3 Spend common to all three Hunter Valley Mines: Bengalla, Hunter Valley Operations and Mount Thorley Warkworth.

4 Local defined as Upper Hunter, Muswellbrook, Singleton, Maitland and Cessnock local government areas

8

Contacts



Feedback

If you have any feedback or questions on our 2015 sustainable development report, we would like to hear from you.

By email

Please send your feedback with your contact details by email to br.info@riotinto.com

Call us

(07) 3625 3001 (Queensland)

1800 727 745 (New South Wales)