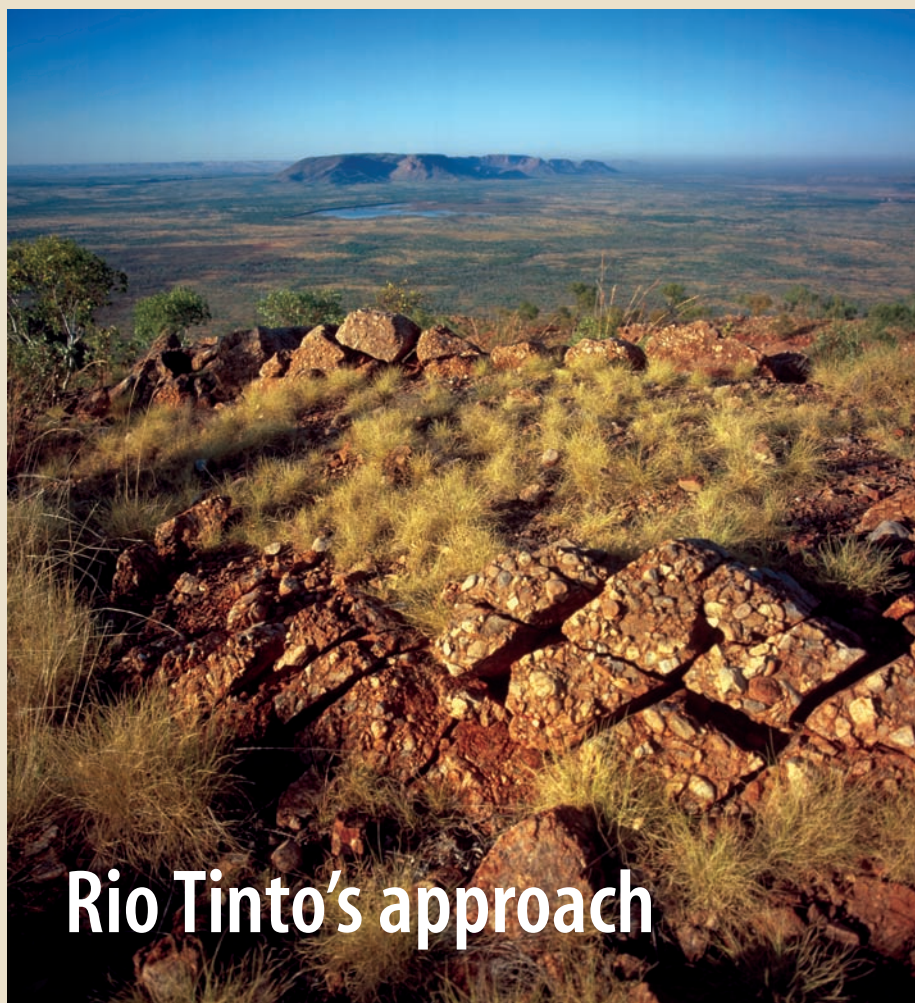


## P r o g r e s s



## Rio Tinto's approach

Australia's Rio Tinto, one of world's largest resource companies, has the philosophy 'that there is no conflict between sustainable development and business'. The company says turning that philosophy into action has been made possible largely by the pragmatic culture of the minerals industry.

### The Rio Tinto Foundation

In 2002, in partnership with the federal government, Rio Tinto set up the Rio Tinto Foundation for a Sustainable Minerals Industry. A \$35 million interest-free loan was provided as assistance by the Government with the company contributing an equal amount.

The Foundation supports research and technical development that will help the minerals and metals industry find sustainable solutions for environmental challenges. In its *Review Magazine*, the company counters the argument that sustainable development calls for trade-offs in the form of slower economic

growth or inferior business results. An independent analysis of a portfolio of 60 projects, conducted for the Foundation by consultants The Natural Step (Australia), concurred with the conclusion that 'innovative thinking for business benefits can also deliver significantly improved social and environmental outcomes'.

The Foundation's portfolio of activities includes, among others: more energy-efficient iron making and aluminium smelting; reduction of greenhouse gas emissions and renewable energy alternatives; and investigation of regional synergies (cooperatively reducing overall waste heat, waste water, waste solids and emissions in a region).

Mt. Evelyn, the highest point around the Argyle lease. Argyle Diamonds

**There is also the focus on providing for better economic participation of local people in regional development associated with Rio Tinto mines.**

The Rio Tinto modus operandi is generally to go back to the root causes of a problem and then to take an 'extended systems approach' to deliver a more favourable outcome. A case in point is the HIs melt® project – which aimed to identify a simpler, cheaper and more flexible way of processing iron ore, from various sources, into iron and steel. The company says the results include lower carbon dioxide emissions, lower water consumption and less impact from the slag produced during iron making. Instead of piling up as waste, slag from the HIs melt® process can now be used in cement making. The process also virtually eliminates dioxin and furan emissions and odours.

### Argyle Diamonds

At the largest diamond mine in the world, its Argyle Diamond Mine in the remote East Kimberley region of Western Australia, Rio Tinto points to its 2004 Participation Agreement with Traditional Owners and its comprehensive mine closure management plan as prime examples of policy commitment to sustainable development. There is also the focus on providing for better economic participation of local people in regional development associated with Rio Tinto mines, which has increased Indigenous employment levels at the company's Australian operations 10-fold since 1995.

Earlier this year, an Indigenous Land Use Agreement (ILUA) was registered, following nearly three years of negotiations between Argyle Diamonds and the Traditional Owners of the mine. The agreement provides Argyle with the support of Traditional Owners for ongoing mining and the development of the next stage of the mine, if or when it moves to underground operations. It will also provide community and economic development benefits for the Traditional Owners beyond 2020.





A small proportion of Argyle's production, less than 1%, is the highest prized pink diamond, the signature stone of the Argyle Mine. Argyle Diamond

Rio Tinto says the ILUA and management plan, together, are 'arguably the most comprehensive arrangements between a resource company and Traditional Owners negotiated in Australia'.

Argyle outlines that its environmental management encompasses:

- waste management, to minimise production of waste, to promote re-use,

recycling and sound procedures for safe disposal;

- conservation of natural resources, to promote efficient use of water and energy;
- protection of rare, endangered or priority plant species and to preserve the original flora and fauna by use of a 'Permit to Clear' system;
- rehabilitation to provide a comprehensive plan for mine closure;
- management of exotic species; and
- monitoring and measurement of the performance of environmental management programmes.

Argyle also can proudly claim that it has boosted environmental awareness among its employees. All departments at the mine site are involved in an environmental representative programme, with more than 40 people acting as representatives to focus on environmental issues and to help their colleagues integrate environmental management into their work.

But Argyle cannot yet claim to have

sustainable development licked. There were no significant reductions in mine-site greenhouse gas emissions, electricity use, total fuel use, water use or landfill in 2004. While this was due mainly to increased production demand (see *2004 Sustainability Report*), these indicators are fundamental to reduced impact ratings.

So even a highly motivated company like Rio Tinto finds it difficult to translate policy into completely sustainable outcomes. However, the company deserves high credit for what it has achieved – plaudits are particularly due for at least setting up solid programs to improve its environmental performance, and certainly for achieving measurable, positive social developments.

• Steve Davidson

#### More information:

Rio Tinto: [www.riotinto.com](http://www.riotinto.com)  
Argyle Diamonds Sustainability Report 2004: [www.argylediamonds.com.au/publications/sustainability\\_report\\_2004.html](http://www.argylediamonds.com.au/publications/sustainability_report_2004.html)

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Keoghs Creek, Tasmania. Photo: Philip Sloane



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