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Media Release

Rio Tinto Aluminium supports innovative Greenhouse Gas reduction project

Rio Tinto Aluminium is supporting an innovative project that will result in avoiding the emission of one million tonnes of greenhouse gases to the atmosphere and save over 13,000 hectares of native vegetation.

The project, called "Minding the Carbon Store", brings together The Carbon Pool Pty Ltd as project manager and Rio Tinto Aluminium as the foundation purchaser of verified greenhouse gas abatements. It is based on the Queensland Government's vegetation management legislation, which bans broad-scale clearing of native vegetation by the end of 2006.

The project has provided financial incentives to Queensland landowners to forego their clearing permits and protects the uncleared vegetation for 120 years.

This reduction in clearing will generate verified abatement in greenhouse emissions. Rio Tinto Aluminium has committed to purchase the first one million tonnes of verified abatement once all commercial and legal requirements have been met. These will count as offsets in the Company's greenhouse emissions inventories.

Rio Tinto Aluminium Chief Executive Oscar Groeneveld says the project aligns with the company's commitment to support innovative approaches to climate change.

"Through the Minding the Carbon Store project, Rio Tinto Aluminium is being proactive in mitigating the effects of climate change and is helping the nation reach its greenhouse gas emissions target," Mr Groeneveld said.

"We also have a responsibility to our shareholders and the broader community to reduce our carbon liability and manage our greenhouse gas emissions. This project is part of that commitment," he said.

The Minding the Carbon Store project aims to build on this initial commitment and save up to 30,000 hectares of high conservation value woodland and forest area and generate in excess of two million tonnes of verified emission abatement.

The Project is a world first in delivering fully verified greenhouse gas abatements through avoided deforestation under the Federal Government's "Greenhouse Friendly" initiative managed by the Australian Greenhouse Office. Minding the Carbon Store, supported by the Queensland Government, is the single largest transaction of greenhouse abatements under the initiative.

The Carbon Pool Pty Ltd director Mark Jackson said emission abatements are created through a contract between The Carbon Pool Pty Ltd and the landowner. Under the contract, the landowner is bound not to clear the land for 120 years. The "carbon rights" are then sold to investors, such as high energy intensive industries, to offset their greenhouse gas emissions. "The Carbon Pool Pty Ltd will monitor the ongoing management of the vegetation and compliance of participating landowners and their successors," Mr Jackson said.

"The project includes a buffer whereby 20 per cent of all abatements are set aside to provide for any potential losses due to things like fire, pests or drought," he said.

Other environmental benefits of the project include protecting biodiversity, retaining topsoil, and adding to the body of knowledge around vegetation management and carbon sequestration.

As a member of the Australian Greenhouse Office programme, Greenhouse Challenge Plus, Rio Tinto Aluminium is committed to measuring, managing and minimising greenhouse emissions. The Greenhouse Friendly initiative, under the Greenhouse Challenge Plus programme, offers members the opportunity of trading in verified greenhouse gas abatement, as one of a range of emission reduction opportunities.

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