Group strategy

Vision
To be the leading global mining and metals company.

Strategy
To invest in and operate large, long-term, cost-competitive mines and businesses, driven not by choice of commodity but by the quality of each opportunity.

Strategic drivers
Five strategic drivers are helping us deliver our strategy and achieve our vision: financial and operational excellence, growth, licence to operate, globalising the business, technology and innovation.

Our strategic vision
Our vision is to be the leading global mining and metals company. We aim to maximise total shareholder return by sustainably finding, developing, mining, processing and marketing the Earth's natural resources.

We seek to achieve this leadership by working according to our values and to sustain long-term business success by building and leveraging effective relationships with relevant stakeholders, including governments and local communities.

The benefits of sector leadership to our stakeholders mean:

- Delivering superior returns to our shareholders through excellent operating, development and investment performance.
- Ensuring widespread and lasting economic benefits to host country communities.
- Positioning us to respond to our customers' needs.
- Providing our employees with leading training and career development opportunities and appropriate financial rewards.

Strong fundamentals position us well to achieve our vision: our portfolio includes some of the world's best assets, many of which set the standard for performance in their commodity sectors. Our strong balance sheet allows us financial flexibility and agility. Our people are highly capable and we are reaping the benefits of our increasingly diverse workforce that reflects our global reach. We are recognised as a responsible developer and operator of mining and refining operations around the world. This track record is built on the strong values defined in *The way we work* and the approach we have to the integration of sustainable development practices in everything we do.

Our strategy
Our investment in and operation of large, long-term, expandable, cost-competitive mines and businesses (also referred to as Tier 1 assets) define our path to sector leadership. Our choice of assets provides strong cash returns across the commodity cycle. Their expandability means we are well-placed to meet anticipated growth in demand as emerging economies urbanise and industrialise.

We pursue opportunities driven not by choice of commodity, but by the quality of each opportunity. We maximise the opportunities we identify by being in a position to choose between organic growth and value-focused acquisitions taking into account timing and market conditions. We target opportunities of sufficient magnitude and potential to meaningfully grow shareholder value. These investment decisions are subject to rigorous analysis of potential returns.

We are versatile in the way in which we develop and operate our assets. Operating across multiple jurisdictions we adhere to our commitment to safety, ethical conduct and environmental stewardship. We recognise the potential of partnerships with those who share similar values and whose specialist skills can add value to our projects.

We believe value-creating investment is the first and best use for the cash generated by our businesses. We maintain the strength of our balance sheet to take advantage of the opportunities capital and commodity market volatility present. Beyond these aims, we return cash to our shareholders.

Our strategic focus
Industry leaders aspire to excel not only in their business performance but in the way they conduct themselves. For Rio Tinto, this means a focus on distinctive performance in five fundamental areas: financial and operational performance; growth; licence to operate; globalising the business; and technology and innovation.

Our strategic focus requires a combination of the talents of people throughout our organisation – from individual mining and processing operations across the globe to shared functions that span our activities. Sharing common standards of best practice enables us to adapt to changing economic, market and political circumstances while achieving our performance goals. In every aspect of our strategy and our work we aim to create the processes and culture that puts safety in the forefront of our minds.

Financial and operational excellence
In acquiring and divesting our assets and in marketing our commodities we apply our deep industry knowledge and experience to identify and capitalise on opportunities. We acquire quality assets at prices that will reward operational improvement under our ownership. We also seek the acquisition of assets that capital markets temporarily undervalue. Through prudent divestments we capture value from assets that no longer fit with our strategic direction.

We seek to maximise the value of the commodities we produce though effective marketing that ensures we respond to our customers' needs in terms of quality, blend, timing, delivery and appropriate pricing and contractual arrangements.

Our work in improving performance across all our operations is focused on achieving market-leading EBITDA margins and hence returns to our shareholders.

We constantly seek to enhance capital productivity in the operation of existing assets, as well as when we design expansions. We continuously identify and capitalise on latent system capacity so that we can safely deliver increased output volumes.

There is no area of our business in which we compromise on safety. We aim for the highest threshold to ensure safety of our employees and others who work with us. We engage in constant vigilance to protect our employees but also to embed the culture that makes safety a forethought rather than an afterthought.

We aim for world-class cost competitiveness and productivity in the operation and management of our assets. Even assets that are already among the lowest cost in their industries are expected to improve incrementally. These improvements are directed at enhancing margins, quickly and efficiently expanding production and positioning us to respond with greater effectiveness to marketing opportunities.

Growth
We explore for and develop new and existing Tier 1 assets. Our objective is to develop these orebodies so as to deliver their greatest potential. We will do so in a way that delivers lasting benefits for our business and host economies and communities.

Key performance indicators

Achievement of our strategy and goals is measured by a mixture of financial and non-financial performance indicators, some of which we link to executive remuneration.

We seek to protect and improve the value of resources through developing a diverse range of stakeholder relationships. We seek to achieve this through rapid organic growth at industry-leading capital and operating costs, without compromising our existing high safety and reliability levels.

Our objective is identifying and accessing major new projects through exploration and establishing lasting and community-oriented presence in resource-rich regions. In Mozambique, Mongolia and Guinea, we have developed comprehensive agreements that will create effective partnerships between the host governments and Rio Tinto. These will deliver value for investors through long-term benefits in operating cost, capital cost and licence to operate and value for the communities in terms of taxes, investment, cost-effective local sourcing and employment.

Licence to operate

External stakeholders are increasing their expectations of us in terms of our transparency in matters such as the taxes we pay but also in the way we engage with governments and the communities that host our operations. This is to ensure they benefit from the prosperity our operations will bring, that we protect the environment and leave a positive legacy when our mining is done. Our work in the area of stakeholder engagement is essential in building and maintaining our licence to operate.

Our approach to sustainable development should enable us to be seen as the industry partner of choice. On the environmental front we monitor and report the levels of greenhouse gases we emit and the volumes of water we consume, we seek to use low carbon energy sources and we engage with environmental agencies and NGOs to protect vulnerable environments.

Globalising the business

Globalising the business gives us many advantages. We have been able to achieve global standards, systems and processes that help us streamline the way we do things. It has encouraged and allowed us to become more agile and efficient as an organisation. Globalisation introduces us to a stimulating range of diversity that we are harnessing. On the one hand it ensures our approaches are appropriate at the local level, on the other the cross-pollination of ideas helps improve many aspects of the way we do business.

Technology and innovation

We apply technology and innovation to improve the way we do things. In particular it helps us to achieve greater safety as well as improving capital efficiency and enhancing productivity. We have adopted an innovative mindset not only by taking advantage of new science and technology, but innovations in our management and processes to find more efficient and effective ways to leverage our existing strengths. We employ innovative scientists and engineers find new ways in which we can protect the environment and improve the lives of those who live in communities surrounding our operations.

Enabling our strategy

Rio Tinto applies an organisation-wide effort to deploy the capabilities and skills required to achieve top performance in all areas. Where needed, we will accelerate and target training and leadership development programmes to ensure all of our people have the opportunity to contribute to achieving distinctiveness in each area.

Business model

We create and preserve value through investing in and operating large-scale, long-term, cost-competitive mines and businesses. The nature of our business means that the life of an orebody may be for many decades. Throughout the life of a business, from initial exploration to final closure and restoration, we commit to the highest standards of sustainable development.

Investing

Explore and evaluate

Rio Tinto has a knowledgeable and experienced in-house exploration team with a proven track record for discovering of Tier 1 orebodies. In addition to exploration, we create value through expansions and extensions of existing assets. Rio Tinto's orebody knowledge process allows us to evaluate value-enhancing approaches to developing, operating and expanding our resources and positioning our products in the market.

Develop

Rio Tinto develops orebodies with long-term value delivery in mind. Following the discovery of a resource, it must be thoroughly studied to identify the optimal configuration for development of the orebody and delivery of the product to the market. In some cases, we need to work closely with our customers to develop and prepare the market to take the type or grade of product that would enable us to maximise the value of resource over its lifecycle, for example by extending the life of the mine. As studies are undertaken, economic modelling confirms value. Once we have obtained internal and external approvals, the project moves to implementation and construction.

Operating

Rio Tinto creates value through safely and efficiently operating large, long-term, cost-competitive assets and the use of standard operating and maintenance practices across the Group, investing in our world-class assets throughout their lifecycles. An efficient process reduces the use of consumables, increases equipment operating time and optimises the extraction of ore – all of which results in higher production levels, reduced costs and optimisation of value.

Mine

We move millions of tonnes of material every day. We use world-class technologies and processes to plan, operate and maintain our equipment and activities. We invest and apply innovations to optimise productivity.

Process

Our leading proprietary technologies, such as that for aluminium smelting, ensure that recoveries are maximised and our processes are as efficient as possible. We produce material that is of the right quality for our customers.

Market

The majority of our customers are industrial companies who process our products into a wide range of applications supplied to end-users in the construction and infrastructure, automotive, industrial machinery and equipment, energy and consumer goods markets. We invest in long-term partnerships and constantly innovate and improve our products and services to maximise product value to customers. We then leverage our intimate knowledge of the market and the value chain to support our investment decision-making.

Deliver

In many cases, Rio Tinto is responsible for delivering product to our customers. We do this in a variety of ways, efficiently, reliably and cost effectively.

Close-down and restore

When a resource reaches the end of its life, we are committed to high standards of close-down and restoration. Integrating closure planning in the early stages of project development and through an asset's lifecycle helps us to leave a positive legacy of sustainable development, minimise financial impacts and ensure stakeholder expectations are met.

Key performance indicators

Our key performance indicators (KPIs) give us a means to measure our financial and sustainable development performance. Their relevance to our strategic drivers, and our performance against these measures in 2011, are explained on these pages.

Our strategic drivers are: Financial and operating excellence; Growth; Licence to operate; Globalising the business; Technology and innovation.

KPI trend data

The Group's performance against each KPI is covered in more detail in later sections of this *Annual report*. Explanations of the actions taken by management to maintain and improve performance against each KPI support the data.

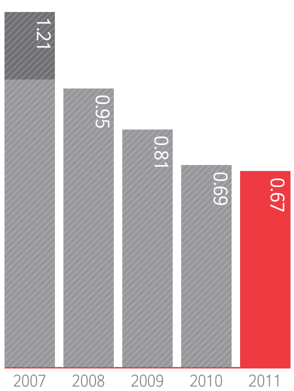
KPIs used as a key measure in the remuneration of executives are identified with this symbol: $

See the Remuneration report on page 86

All injury frequency rate (AIFR) $

Per 200,000 hours worked

■ Including former Alcan



More information on page 14

Definition

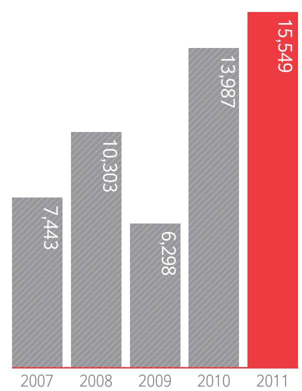
AIFR is calculated based on the number of injuries per 200,000 hours worked. This includes medical treatment cases, restricted work day and lost day injuries for employees and contractors.

Relevance to strategy

Our commitment to zero harm means that the AIFR is one of the Group's most important non-financial KPIs. Safety is a leading indicator of management performance. It is central to our focus on operational excellence and our licence to operate. A reputation for being a safe employer and neighbour helps us to gain access to the people and resources we need.

Underlying earnings[a] [b] $

US$ millions



More information on page 209

Definition

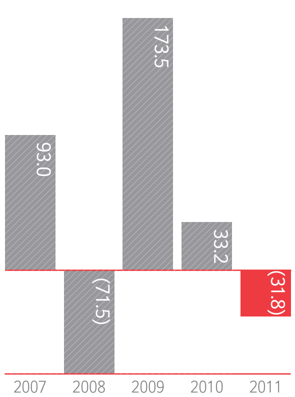
Items excluded from net earnings to arrive at underlying earnings are explained in note 2 of the 2011 financial statements.

Relevance to strategy

Underlying earnings is a measure that provides insight into the underlying business performance of the Group's operations and is the key financial performance indicator used across the Group. This KPI provides insight to cost management, performance efficiency and production growth. It is therefore an indicator of financial and operational excellence and growth.

Total shareholder return (TSR) $

%



More information on page 99

Definition

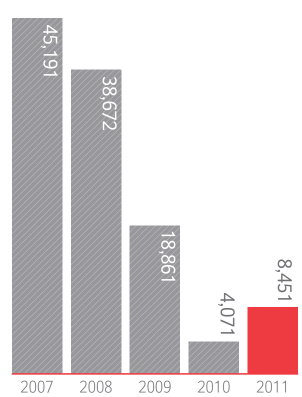
TSR combines share price appreciation and dividends paid to show the total return to the shareholder.

Relevance to strategy

TSR measures the Group's performance in terms of shareholder wealth generation through dividends and changes in the share price. As a measure of how we maximise shareholder return, this KPI measures our performance against our strategy as a whole. Relative TSR is also monitored, which gives insight into our performance against our peers.

Net debt[a]

US$ millions



More information on page 169

Definition

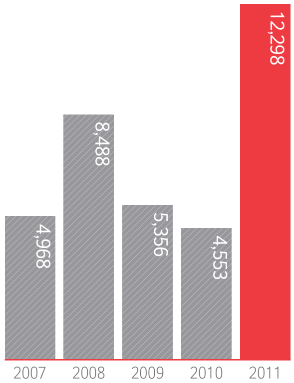
Net debt is calculated as: the net borrowings after adjusting for amounts due to equity accounted units originally funded by Rio Tinto, cash and cash equivalents, other liquid resources and derivatives related to net debt. This is further explained in note 25 "Consolidated net debt" of the 2011 financial statements.

Relevance to strategy

A strong balance sheet gives us resilience in a volatile global economy. Net debt is a measure of how we are managing our balance sheet and capital structure, and is closely linked to our financial and operational excellence strategic driver.

Capital expenditure[a] [c]

US$ millions



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Definition

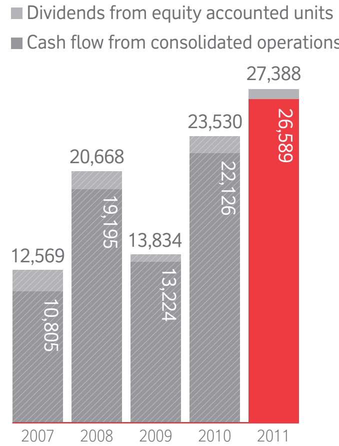
Capital expenditure comprises the net cash outflow on purchases less disposals of property, plant and equipment, capitalised evaluation costs and purchases less disposals of other intangible assets.

Relevance to strategy

Our capital expenditure KPI connects to our growth strategic driver. It measures our level of investment in protecting and maintaining our existing assets, as well as our investment in the growth projects that will be our future Tier 1 operating assets. The geographic distribution of our capital expenditure is also a measure of how we are globalising the business.

Operating cash flows[a]

US$ millions



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Definition

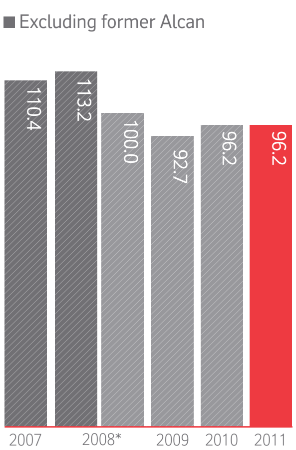
Operating cash flows represents the cash generated by the Group's consolidated operations, before payment of interest, taxes, capital expenditure and cash flows relating to financing activities. The measure is equivalent to 'cash flow from consolidated operations' in the Group cash flow statement. In 2011, product group operating cash flows reported on pages 20 to 28 have been adjusted to exclude funding of defined benefit pension deficits; comparative figures have been modified accordingly.

Relevance to strategy

Operating cash flow is a complementary measure to underlying earnings. It is employed as a measure of business performance and links to two of our strategic drivers: growth, and financial and operational excellence.

Greenhouse gas emissions intensity

Indexed relative to 2008



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*2008 intensity is shown both excluding former Alcan, and including former Alcan indexed to 100.

Definition

Our greenhouse gas (GHG) emissions intensity measure is the change in total GHG emissions per unit of commodity production relative to a base year. Total GHG emissions are direct emissions plus emissions from imports of electricity minus electricity and steam exports and net carbon credits purchased from, or sold to, recognised sources.

Relevance to strategy

We use GHG emissions intensity as a KPI because of the urgent need for climate action, and because it is one of the most widely recognised environmental issues. The KPI links to our licence to operate and our technology and innovation work, which are key drivers of our strategy.

Notes

(a) The accounting information in these charts is drawn up in accordance with EU IFRS.

(b) Underlying earnings is the key financial performance indicator which management uses internally to assess performance. It is presented here as a measure of earnings to provide greater understanding of the underlying business performance of the Group's operations. Items excluded from net earnings to arrive at underlying earnings are explained in note 2 to the 2011 financial statements. Both net earnings and underlying earnings deal with amounts attributable to the owners of Rio Tinto. However, EU IFRS requires that the profit for the year reported in the income statement should also include earnings attributable to non-controlling interests in subsidiaries.

(c) Amounts include 100 per cent of subsidiaries' capital expenditures and Rio Tinto's share of the capital expenditure of equity accounted units.

Principal risks and uncertainties

Risk factors

Rio Tinto's business units and functions assess the potential economic and non-economic consequences of their respective risks using the framework defined by the Group's *Risk policy and standard*. Principal risks and uncertainties are identified when the Risk management committee, business unit or function determines that the potential consequences are materially significant at a Group level or where the risk is connected and may trigger a succession of events that, in aggregate, become material to the Group. Once identified, each principal risk and uncertainty is reviewed by the relevant internal experts and by the Risk management committee.

The following describes all known principal risks and uncertainties that could materially affect Rio Tinto. There may be additional risks unknown to Rio Tinto and other risks, currently believed to be immaterial, which could turn out to be material. The risk factors outlined below omit the management detail on how each is managed and mitigated, or how some risks could result in either a positive (upside) or negative (downside) impact. Risks may materialise individually, simultaneously or in combination and could significantly affect the Group's:

- Short, medium and long-term business and prospects;
- Earnings and cash flow;
- Overall financial results and product demand;
- Current asset values;
- Future asset values and growth potential;
- Safety plus long, medium and short-term health;
- Environmental effects; or
- Group or business unit reputation.

The principal risks and uncertainties should be considered in connection with any forward looking statements in this document and the cautionary statement on the inside front cover.

External risks

Commodity prices and global demand for the Group's products are expected to remain uncertain.	Commodity prices and demand are cyclical and strongly influenced by world economic conditions. The Group's normal policy is to sell its products at prevailing market prices and not to enter into price hedging arrangements. Persistent economic imbalances that have led to recent volatility in commodity prices and demand may continue.
Past strong demand for the Group's products in China could be affected by future developments in that country.	The Group is heavily reliant on the China market and a major economic downturn in China, or if Chinese customers source products from elsewhere, would have effects across all of the Group's products. The basis on which the Group prices iron ore in Asia is evolving and sales to other iron ore customers may be influenced by any changes.
Rio Tinto is exposed to fluctuations in exchange rates.	The great majority of the Group's sales are denominated in US dollars, which is also the currency used for holding surplus cash, financing operations, and presenting external and internal results. Although many costs are incurred in US dollars, significant costs are influenced by the local currencies of the countries where the Group operates, principally the Australian dollar, Canadian dollar and euro. The normal policy is to avoid hedging of foreign exchange rates and so the Group is vulnerable to appreciation in the value of other currencies against the US dollar, or to prolonged periods of exchange rate volatility.
Political, legal and commercial changes in the places where the Group operates.	The Group has operations in jurisdictions where governments and communities are seeking a greater share in mineral wealth. In some jurisdictions commercial instability can arise from a culture of bribery and corruption. Some operations are conducted under specific agreements with respective governments and associated acts of parliament. In several countries land title and rights to land and resources (including Indigenous title) may be unclear. Political and administrative change, policy reform, and changes in law or government regulation can result in expropriation, or nationalisation. In its operations and development projects, Rio Tinto is exposed to: • Renegotiation, unilateral variation or nullification of existing agreements, leases and permits. • Changes in government ownership of operations. • Significant restoration and environmental clean-up costs. • Currency and foreign investment restrictions. • Changes in taxation rates, regimes or international tax agreements. • Limitations to power, water, energy and infrastructure access. • General increases in regulation. Political instability and uncertainty or government changes to the fiscal terms covering the Group's operations may discourage future investments.
Community disputes in the countries and territories in which the Group operates.	Some of the Group's current and potential operations are located in or near communities that may regard the operation as being detrimental to their circumstances. Community expectations are typically complex with the potential for multiple inconsistent stakeholder views that may be difficult to resolve. Stakeholder opinion and community acceptance can be subject to many influences, for example, related industries, operations of other groups, local, regional or national events in other places where we operate. In the extreme, our operations may be a focus for civil unrest or criminal activity.

Strategic risks

The Group may be unable to maintain the planned rate of growth due to possible constraints on the rate of capital expenditure.	Rio Tinto has embarked on a substantial growth programme of capital investment in greenfield and brownfield projects to bring on new capacity and to extend the life of existing operations. These projects form a portfolio that is actively managed. However, the ability to achieve the expected growth schedule and objectives is dependent on many interconnected elements. Should some of our plans fail to materialise as expected, the planned rate of capital expenditure may not be achieved.
The Group's exploration and development of new projects might be unsuccessful, expenditures may not be fully recovered and depleted ore reserves may not be replaced.	Rio Tinto identifies new orebodies and mining properties through its exploration programme, and develops or expands other operations as a means of generating shareholder value. Exploration is not always successful and there is a high degree of competition to develop world-class orebodies. Some competitors, who have access to significant resources, may be motivated by political or other non-economic factors. The Group may not be able to source or maintain adequate project financing; or may be unable to find willing and suitable joint venture partners to share the cost of developing large projects.
Rio Tinto may fail to make or successfully integrate acquisitions, or to complete divestment agreements.	Business combinations entail a number of risks including the effective integration of acquisitions to realise synergies, significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities. The Group may also be liable for the past acts, omissions or liabilities it has acquired that are unforeseen or greater than anticipated. The Group may also retain unforeseen liabilities for divested entities if the buyer fails to honour all commitments.

Financial risks

The Group's reported results could be adversely affected by the impairment of assets and goodwill.	An asset impairment charge may result from the occurrence of unexpected events or changed expectations about the future. In accordance with IFRS, the Group does not amortise goodwill or indefinite life intangible assets but tests it annually for impairment; such impairments cannot be reversed.
The Group's liquidity and cash flow expectations may not be realised as expected, inhibiting planned expenditure.	The Group's ability to fund planned expenditure such as capital growth, mergers and acquisitions, innovation and other obligations may falter if its cash position proves inadequate. Our ability to weather a major economic shock for example in the eurozone could be compromised by insufficient cash reserves, a reduction in the value of existing reserves, or restricted access to our cash reserves.
General cost inflation in the resources sector is affecting both operations and projects, resulting in significant pressure on capital and operating costs.	Recently, many input costs in the resources sector have risen at a disproportionate rate, adversely affecting the economics of current operations and increasing the cost of our capital expansion projects. Many key costs are linked to commodity prices and in the case of capital expansion projects the time lag between incurring project costs and receiving revenue can result in additional exposure to commodity markets. Failure to contain costs may have an adverse impact on our operating margins and the viability of our capital expansion projects.

Operational risks

Estimates of ore reserves are based on uncertain assumptions that, if changed, could result in the need to restate ore reserves.	There are numerous uncertainties inherent in estimating ore reserves including subjective judgments and determinations that are based on available geological, technical, contract and economic information. Previously valid assumptions may change significantly with new information, which may result in changes to the economic viability of some reserves and the need for them to be restated.
Labour disputes could lead to lost production and/or increased costs.	Some of the Group's employees, including employees in non-managed operations, are represented by labour unions under various collective labour agreements. The Group may not be able satisfactorily to renegotiate agreements when they expire and may face tougher negotiations or higher wage demands. In addition, labour agreements may not prevent a strike or work stoppage.
Some of the Group's technologies are unproven and failures could adversely impact costs and/or productivity.	The Group has invested in and implemented new technologies in both information systems and operational initiatives, some of which are unproven and their eventual viability cannot be assessed with certainty. The actual benefits of these technologies may differ materially from expectations.
The Group may be exposed to major failures in the supply chain for specialist equipment and materials.	Rio Tinto operates within a complex supply chain depending on suppliers of materials, services, equipment, infrastructure, and on providers of logistics. Significant supply chain failures for whatever reason could have an adverse effect on the Group's business.
Joint ventures, strategic partnerships or non-managed operations may not be successful and may not comply with the Group's standards.	The Group participates in several joint venture and partnership arrangements, and it may enter into others, all of which necessarily involve risk. Whether or not the Group holds majority interests or maintains operational control in its joint ventures, its partners may: • Have economic or business interests or goals that are inconsistent with, or opposed to, those of the Group. • Exercise veto rights to block actions that the Group believes are in its or the joint venture's best interests. • Be unable or unwilling to fulfil their obligations under the joint venture or other agreements, such as contributing capital to expansion or maintenance projects. Where these joint ventures are controlled and managed by others, the Group may provide expertise and advice but has limited control over compliance with its standards and objectives; such that partners may take action contrary to the Group's policies with respect to its investment.

Operational risks continued

The Group's operations are vulnerable to a range of interruptions, not all of which are covered fully by insurance.	**1. Natural disasters and events** Mining, smelting, refining and infrastructure installations are vulnerable to natural events including earthquakes, drought, flood, fire, storm and the possible effects of climate change. **2. Sustained operational difficulties** Operating difficulties are many and various, ranging from unexpected geological variations that could result in significant ground or containment failure to breakdown of key capital equipment. Reliable roads, rail networks, ports, power generation and transmission, and water supplies are required to access and conduct our operations. The Group transports a large proportion of its products by sea. Limitations, or interruptions in transport infrastructure, including as a result of third parties gaining access to our integrated facilities, could impede its ability to deliver products. An extensive information technology infrastructure forms the backbone of many operations. An extended failure of critical system components or malicious actions, including resulting from a cyber-security attack, could result in significant environmental incident, commercial loss or interruption to operations. **3. Major operational failure** The Group's operations involve chemicals and other substances under high temperature and pressure, with the potential for fire, explosion or other loss of control of the process, leading to a release of hazardous materials. This could occur by accident or a breach of operating standards, and could result in a significant incident. The Group's insurance does not cover every potential loss associated with its operations and adequate coverage at reasonable rates is not always obtainable. In addition, insurance provision may not fully cover its liability or the consequences of any business interruption. Any occurrence not fully covered by insurance could have an adverse effect on the Group's business.

Sustainable development risks

Increased regulation of greenhouse gas emissions could adversely affect the Group's cost of operations.	Rio Tinto's operations are energy intensive and depend heavily on fossil fuels. Worldwide, there is increasing regulation of greenhouse gas emissions, tighter emission reduction targets and progressive introduction of carbon pricing mechanisms. These are likely to raise worldwide energy, production and transport costs over the next few decades.
The Group depends on the continued services of key personnel.	The Group's ability to maintain its competitive position is dependent on the services of a wide range of highly skilled and experienced personnel available in the locations where they are needed. Failure to recruit and retain key staff, and the inability to deploy staff worldwide, where they are most needed, could affect the Group's business. Similar constraints may be felt by the Group's key consultants, contractors and suppliers with effects on its expansion plans.
The Group's costs of close down, reclamation, and rehabilitation could be higher than expected.	Close down and reclamation works to return operating sites to the community can be extensive and costly. Estimated costs are provided for, and updated annually, over the life of each operation but the provisions might prove to be inadequate due to changes in legislation, standards and the emergence of new reclamation techniques. In addition, the expected timing of expenditure could change significantly due to changes in the business environment that might vary the life of an operation.
Regulations, standards and stakeholder expectations in health, safety, environment and community evolve over time and unforeseen changes could have an adverse effect on the Group's business and reputation.	The resources sector is subject to extensive health, safety and environmental laws, regulations and standards alongside community and stakeholder expectations. Evolving regulation, standards and stakeholder expectations could result in litigation or, in extreme cases, threaten the viability of an operation even where the underlying dispute is not material to the Group.