

**Start of Transcript**

Simon Thompson: Well good afternoon to everyone here in Perth and to those joining us online. My name is Simon Thompson and I'm the Chairman of Rio Tinto. It's my pleasure to welcome you to Rio Tinto Limited's 2021 annual general meeting. We start, as always, with safety, our top priority. So please pay attention to this short safety announcement.

[Recording playing]

Simon Thompson: In the same way that safety is critically important to us, so too is our respect for the communities that host our operations around the world, particularly in the light of events at Juukan Gorge last year. So it gives me great pleasure to introduce Carol Innes of the Whadjuk people of Noongar nation, the traditional owners of the land on which we're fortunate to be gathered today.

Carol Innes: Thank you Simon. Now I'm Carol Innes [spoken in an Indigenous language]. Happy to be here with you today as you have your reflective year and I know it's been a difficult one for you with the shareholders and as a Company but also as staff in your organisation. Country is an important place. It's where we all stand and I hope the journey ahead for everyone becomes a part of a connected space because it's not the cultural heritage for just us as our people, it's the cultural heritage of all people on all country around the world on which you work and I think that's a big part of what we need to consider with where we go forward together and be a part of.

First time coming out to be a part of sharing what has been a very difficult year and many great things will hope to come back to a place when everyone's energy puts it back in to look at the issues at hand in the way that we think about safety in operations across all your business.

I will never forget it because it was on my birthday last year. So I will carry that with me and I'll carry you all with me and I thank you Rio Tinto for asking me to come back and be a part of the conversation going forward. I'm available on the outside in what I do here in Perth and across the state, but on my birthday this year, I will be in the Pilbara. So it's connecting us and connecting place, and a big part of our welcome and what we do and how we do this is that it's not just a protocol. It's who we are as people and how we connect to country and how we connect to land.

In this year of 2021, especially going ahead, NAIDOC fan will be healing country and that will be a big part of your job going ahead. Also too, healing your people within your

operations so that you all stand together, go forward and see the benefits of a company that was a global leader in the past heading back into that space into the future. Thank you and enjoy your meeting.

Simon Thompson: Thank you Carol for that very special Welcome to Country and for opening our AGM. 2020 was a challenging year for all of us. Rio Tinto had many successes during the year, but our achievements were overshadowed by the destruction of the Juukan Gorge rock shelters in the Pilbara in May 2020. What happened at Juukan Gorge was a breach of our values as a Company and of the trust placed in us by the Puutu Kuntjira and Pinikura people and the other traditional owners of the lands on which our business operates.

Before we start this meeting, I'd like to show a short video about Juukan Gorge.

Video playing

Male: I remember really clearly when I found out about Juukan Gorge.

Male: I was sitting on my couch before work and my leader sent me a text message and said, watch the news.

Female: I was on my way to work and I heard it on the news and I actually realised that I had walked in those caves with the Elders, the PKKP Elders.

Male: My messages started pinging, going off. Like every few seconds it was another message.

Male: I just couldn't understand how we could get to that point and such an incident could happen given our watertight policies and procedures.

Female: I just can't believe it. I just thought oh there must be some miscommunication.

Male: It had to be some sort of a horrendous mistake.

Male: It was so misaligned with what I think is right. This is something that we just shouldn't have done.

Male: Rio Tinto within Australia has about 22,000 employees with all different visions and views and innovative ideas. There's a lot of us that were impacted by Juukan Gorge also. There are good people in the business that want to do the right thing and are deeply sorry.

Male: So one of the biggest takeaways for me is that I have a part in making sure that this never happens again and I think there's a real opportunity to do things differently.

Female: Rio Tinto is in a position where it can influence change within the industry itself.

Male: I'm optimistic that there will be good that will come of this incident. Increasing resources, increased accountability, communication, awareness.

Male: We need to go and spend time with the traditional owners, understand what they want to achieve and how we can work together to deliver lasting and enduring relationships that will bring value to them and value to their communities.

Male: That deeper connection to communities, having people in the business itself. It really does drive better outcomes for the business as a whole.

Male: Moving forward, we need to be bold. We need to take the extra step, just the one extra step that will really change and shift the future.

Male: I can feel it's different now. There's a real pull from the businesses, from the sites, to actually engage with Indigenous businesses. Do more than they've done before. That gives me great hope for the future.

Video ends

Simon Thompson: I would now like to formally open the meeting. Due to COVID-19 restrictions in Western Australia and around the world, we are holding this year's AGM as a hybrid meeting. Shareholders who are unable to attend the meeting in person can view the AGM live on the webcast and submit written questions and vote online. Every effort has been made to ensure that proceedings run smoothly. However if there are any technology issues, the recording will be available on our website after the meeting.

So let me now introduce my fellow members of the Board who are with me here in Perth, starting with Jakob Stausholm our Chief Executive, Simon McKeon, Senior Independent Director of Rio Tinto Limited, Megan Clark, Chair of our Sustainability Committee and Michael L'Estrange. We also have with us our Australian Company Secretary, Tim Paine and Trevor Hart from our external auditor KPMG.

I am also pleased to welcome all the other members of the Rio Tinto Board who are joining us remotely - Sam Laidlaw, Senior Independent Director of Rio Tinto plc and Chair of our Remuneration Committee, Simon Henry, Chair of the Audit Committee, Jennifer Nason, Hinda Gharbi and Ngaire Woods. We are also joined by Peter Cunningham, our Interim Chief Financial Officer.

In order to make today's proceedings as efficient as possible, I declare that voting on all resolutions is now open. As usual polls - resolutions will be decided by poll. For those attending online, if you are eligible to vote at this meeting, a polling icon will appear on

your screen. Selecting that icon will bring up a list of resolutions and present you with voting options. To cast your vote, simply select one of the options. There's no need to hit a submit or enter button. The vote is automatically recorded.

For those shareholders here at the meeting itself, if you have already sent in your proxy forms, you do not need to vote again. For proxyholders in the room and those shareholders who have not appointed a proxy and are eligible and wish to vote, you may complete your voting card at any time and they will be collected at the end of the meeting.

Before I continue with my address, I'd like to share a second video that I hope conveys our determination to learn the lessons from Juukan Gorge.

Video playing

Male: In every company's history, there are moments that change it forever. The destruction of the Juukan rock shelters had global repercussions. Our Company will never be the same.

Female: The blast has obviously had a really significant impact on the general public, PKKP and other stakeholders as well as our teams.

Female: Through respect, we will build a better Company because we will build trust again. So if we can respect everyone we work with, including the traditional owners on the land on which we operate, we will regain and rebuild our reputation and come back to be better.

Female: So our core values relate to integrity, safety and respect and they're integral to Indigenous Australians' values and also how we engage with the land.

Male: Here at Brockman, our actions have significance and we have to get this right.

Male: So one of the changes we've seen since last year is people are actually asking questions about the culturally significant sites that are close to their areas of work. There's a thirst for learning and I can actually feel that working through the organisation in many ways and showing itself in our leadership.

Male: When the Juukan event happened, it actually really significantly affected me. I felt personally responsible. So since we've had that event, we've had that more heightened sense of awareness for the team on the ground. So if I see something that's not right, we stop the job.

Male: So the first step was to get the heritage maps on the walls to understand a little bit about what's going on. The next step, what we really want to do is to get the stories on

the wall for the heritage sites on which they're working in, because people are really keen to understand more about it. They're ready to listen. It'll make a better workplace because people actually then have a sense of responsibility and a sense of ownership of what's happening in the area.

Male: So what we're seeing at the moment is, people are approaching the areas of cultural significance in the same way they would approach safety, looking at it as a hazard and then what are the effective controls to address that hazard?

Male: So we know that doing things the safest way is the most efficient way. We know that our safety culture has grown our productivity and our production. What I'm looking forward to is being able to put culture in the same position. Being able to know that respect for Traditional Owners grows our productivity, grows our position and grows our business.

Male: So we have been working with the Traditional Owners in a co-management approach and long-term, that's the perfect solution because we are listening to each other now more than ever.

Male: Taking our learnings home from site and educating our family to know and understand what happened and then have the education around heritage and what that means and the significance of it up on site, I think will benefit us and future generations that come into mining as well. It might be my kids up here one day.

Female: Over the last nine months after reviewing more than 1300 heritage sites, we have removed more than 54 million tonnes from our plan. That is de-risking our business and making sure that we are protecting and preserving sites of importance to Traditional Owners and to the general Australian public.

Male: Every contract we sign is more than just a contract. It provides so much more than that. It provides leaders and inspiration for families, communities and children to look up to and follow the journey.

Female: I'm optimistic. We will learn from this. We have a lot of opportunity to make things better.

Male: When we have more Indigenous leaders in this Company, we will understand the host communities like we never have before. When we understand the host communities in that way, we will drive really deep relationships and connections. Those deep relationships

and connections will drive value for our Company and the communities in which we operate.

Female: I started this business 20 years ago and I was proud to wear the shirt, I was proud to tell my parents and my friends and family where I worked. Last year, we lost a lot of that pride and it drives me that we're going to regain it. We're going to have employees proud to wear the shirt again and it's what's going to drive us to be better and to see success in the future.

Video Ends

Simon Thompson: As I said at the start, 2020 was a challenging year for everyone and it was also a year of sharp contrasts. Our response to the COVID-19 pandemic was outstanding. As the virus threatened lives and livelihoods around the world, the entire Group mobilised to safeguard our employees, contractors and local communities and to keep our managed operations worldwide, running safely and smoothly.

This resilient operational performance coincided with a period of high iron ore prices, in part because of supply disruptions elsewhere in the industry, which in turn resulted in a strong financial performance with underlying earnings of US\$12.4 billion and free cash flow of US\$9.4 billion.

The strength and resilience of our business enabled us to protect thousands of jobs across our supply chain and to continue to pay taxes and royalties to governments and dividends to you, our shareholders, when many other companies were forced to cut back.

Our total economic contribution, including payments to employees, suppliers, governments and shareholders, amounted to US\$47 billion, including US\$8.4 billion in taxes and royalties.

Here in Australia, we were one of the country's largest taxpayers, contributing US\$6.8 billion in taxes and royalties to the Federal and State Governments. That's AU\$9.8 billion. Over the past decade, we have paid AU\$65 billion, in taxes and royalties here in Australia. We also further strengthened our balance sheet, with net debt at year-end of US\$0.7 billion.

In view of this robust operational and financial performance, the Board has approved a final dividend of US\$3.09 per share and a special dividend of US\$0.93 per share, taking dividends declared to shareholders for 2020 to US\$9 billion.

Given all the changes and uncertainty created by the pandemic, it would have been easy to lose our focus on safety so I am very proud of our employees and contractors for delivering a second successive year with zero fatalities.

We also made significant progress with our climate change strategy, providing greater detail on how we intend to meet our scope 1 and scope 2 emissions reduction targets and setting out the objectives of our partnerships with customers and others to reduce scope 3 emissions arising in the aluminium and steel value chains.

In recognition of the need for urgent action by business, governments, consumers and investors to tackle climate change, we are one of the first companies to commit to put our 2021 climate change report to an advisory vote at our annual general meetings next year.

This say on climate will give shareholders the opportunity to express their views on our overall climate change strategy and implementation. However, as I said earlier, all of these achievements were overshadowed by the tragic events at Juukan Gorge here in Western Australia.

Late last year, Megan Clark and I visited Juukan with the elders of the PKKP people. The visit was my first opportunity to apologise in person and to see and feel their sadness and pain. We also met many of the other Traditional Owners of the lands where we operate. Earlier this week, Megan and I met up with the PKKP again to review the progress that we are making in rebuilding trust and strengthening our partnership.

As Chairman of your Company, I am ultimately accountable for the failings that led to the tragic events at Juukan Gorge. Accordingly, I will not be seeking re-election at the AGMs next year. I will use my remaining time with Rio Tinto to provide continuity and support to our new Chief Executive, Jakob Stausholm, and the new Executive Team, and to oversee the implementation of the recommendations of the Board Review and the Parliamentary Inquiry to ensure that the destruction of a site of such exceptional cultural significance never happens again at a Rio Tinto operation.

Last year we welcomed three new Directors, Hinda Gharbi, Jennifer Nason and Ngaire Woods, and the Board has already benefitted from their insights and expertise. We also appointed Simon McKeon to the new role of Senior Independent Director for Rio Tinto Limited, to enhance Board engagement in Australia.

At the end of the year, I was delighted to announce the appointment of Jakob as our new Chief Executive. As expected, Jakob has moved fast to appoint his new Executive Team and I feel confident that we have the right people in the right jobs to deliver our strategy

and to implement all the necessary changes in our risk management, governance, work culture and relationships, following the tragedy at Juukan Gorge.

David Constable retired from the Board at year end and Michael L'Estrange will retire at the conclusion of this AGM. I would like to thank both of them for their wise counsel and outstanding contribution to the Board.

As a consequence of these changes, we currently have four Board searches currently underway, including for my successor as Chair, and Jakob's successor as CFO.

As we look to 2021, Rio Tinto remains an exceptionally strong business with outstanding people, world class assets and a resilient balance sheet. After a period of profound change at all levels in the organisation, 2021 is all about stability and execution. Recommitting to our purpose of producing essential materials in a way that creates value for all stakeholders, safeguards the environment, and respects our host countries and communities.

There is an absolute determination to learn the lessons from Juukan Gorge. To rebuild trust with the Traditional Owners of the lands where we operate here in Australia and Indigenous peoples everywhere and to re-establish Rio Tinto as a leader in social and community performance.

I am convinced that Rio Tinto will emerge from this crisis a better, a stronger and a more caring Company. Let me now handover to Jakob, who will talk more about our results.

Jakob Stausholm: Thank you, Simon. I would like first to acknowledge the Traditional Owners of the land where we gather today, the Whadjuk people of the Noongar Nation. I would also like to acknowledge and pay my respects to all Traditional Owners and Indigenous peoples that host Rio Tinto operations around the world.

2020 was, for Rio Tinto, a year of extremes. It had its dark days, most notably our destruction of the ancient rock shelters at Juukan Gorge, a terrible chapter in our history.

Perhaps this cannot be said enough, so let me say it again. The rock shelters at Juukan Gorge should not have been touched. We are so sorry. The destruction severely damaged many of our relationships, including that with the Puutu Kunti Kurrama and Pinikura people, for whom it was devastating and a significant breach of trust.

I visited Juukan Gorge earlier this year and expressed my deep regret for the damage we caused. I witnessed and felt first-hand the pain we have inflicted and I will never forget that.



The work we have to do at Juukan Gorge is beyond the remediation of the site. I know that we must work in partnership with Traditional Owners in Australia, Native Americans in the United States, and Indigenous people in Canada and elsewhere, to secure our shared future.

We must focus on real engagement with our communities, understanding their felt experience and never forgetting that in so many places, we are guests on their land. We must respect our hosts, and our partners, and work with them to understand their priorities and concerns and minimise our impacts.

Over the last few months, I have had the privilege of meeting many people, both internal and external, who care deeply about Rio Tinto. The open and honest conversations and feedback they have provided gives me confidence that together we can rebuild Rio Tinto, to become a Company we can all be proud of every day.

Last year, we also had to learn to live with COVID-19 and I'm very proud of how we adapted to the pandemic. I want to thank and congratulate all our employees and contractors on the resilience they demonstrated and continue to demonstrate. It was a very challenging year for all of us. I am also proud that we have delivered another year with zero fatalities. Because nothing is more important than safety.

Our financial performance in 2020 was incredibly strong. We delivered underlying EBITDA of US\$23.9 billion and return on capital employed of 27%. We generated free cash flow of US\$9.4 billion after paying US\$8.4 billion in taxes and royalties and investing US\$6.2 billion in growth and sustaining capital expenditure.

With net debt of less than US\$1 billion our balance sheet was further strengthened. As you heard Simon say, we also advanced our actions on climate change by setting new Scope 3 goals. Now, Rio has many strengths but we must also ensure consistency and improve in certain areas.

First, simply put, Rio Tinto must be the best operator. Our 2020 operational performance was good despite the disruption of COVID-19. But there are opportunities to improve the consistency of our performance.

Secondly, I firmly believe that the foundation of our business is impeccable ESG credentials.

Thirdly, we must excel in development from identifying opportunities to maturing and developing them. We must do this to build our portfolio for the next decade and beyond. I

know we can do it by leveraging our expertise and maintaining an absolute commitment to capital discipline. We will only consider opportunities that create value.

Finally, we must also step up our external engagement and become a more outward looking Company which is more in tune with society. That is our social licence to operate. It is judged by others and it is essential to our long term success.

All of us are determined to learn and heal from the events of 2020, to strengthen our culture and to see Rio Tinto emerge even stronger. We have a long road ahead and I am not underestimating the time and effort this will take. We now have a new Executive Committee in place. Our new chief people officer joined us just last month. Almost all of the team are new in their positions. But the transition is actually progressing well.

Today's annual general meeting is an important part of this journey. It provides not only the opportunity to speak but more importantly a chance for all of us to carefully listen to each other. Your Company, my Company, our Company, Rio Tinto is an amazing Company. It is full of great people. It has an extraordinary history and in my view an exciting future ahead.

I look forward to continuing to engage with our employees, our partners, our stakeholders and all of you, our shareholders, on this journey. Thank you.

Simon Thompson: Thank you Jakob. Sam Laidlaw, the chair of our Remuneration Committee, is joining the meeting virtually today. Given the issues that can sometimes arise with connectivity we have pre-recorded Sam's introductory remarks on executive remuneration. So could we play the recording please.

Sam Laidlaw: 2020 was a challenging year for many organisations and one of the most challenging in Rio Tinto's history. The destruction of the Juukan Gorge rock shelters on the land of the PKKP people in Australia should not have happened and does not reflect our values as a Company.

We as your Board understand that given the circumstances which led to the destruction of the rock shelters, executive pay outcomes are a sensitive and contentious point for many stakeholders.

The loss of cultural heritage was tragic. Many have understandably sought to allocate appropriate accountability and responsibility. Following the publication of the Board's review on 24 August, 2020 it became clear that a number of stakeholders felt that the financial penalties alone that were applied to the chief executive, the chief executive iron

ore and the Group executive corporate relations, were insufficient and that to rebuild relationships with traditional owners and other stakeholders changes of leadership were required to move the Company forward.

In agreeing that the three executives should leave Rio Tinto the Board was obliged to consider the following. There was no deliberate act or omission to act by the three executives. There was no compliance failure as all authorisations had been received from the Western Australian government. There was no fraud, malfeasance or coverup which would have resulted in immediate dismissal and forfeiture of all unvested awards.

There was however a critical risk assessment failure going back many years. This failure can be partially attributed to the three executives who failed to recognise and remediate systemic weaknesses in the heritage risk management process. After the destruction of the rock shelters the executive leadership team failed to apologise unconditionally and respond with sufficient empathy towards the PKKP and to recognise the gravity of what had happened within the wider societal context.

Some have suggested that the failure of the three executives to respond appropriately should have resulted in the forfeiture of all outstanding remuneration. The Board understands this sensitivity and deeply regrets the destruction of the rock shelters and the slow and initially insufficiently sensitive response of the Company.

Given these considerations as well as various market precedents the Board concluded that it was not in a position to legally terminate the three executives for cause and forfeit all outstanding remuneration. Instead, it was more appropriate that the three executives' employment be terminated by mutual agreement acknowledging the potential adverse effect that this may have on their longer term careers.

As such, while acknowledging the gravity of events at Juukan Gorge the penalties applied to the responsible executives were, in the best view of the Board, the most that could durably be applied and legally defended in light of the extent of the executives' ultimate accountability for Juukan Gorge especially when taking into account relevant market precedents and the fact that the employees were forfeiting their employment.

Following the application of malice for the events at Juukan Gorge, the 2020 short term incentive plan outcomes for J-S Jacques, Chris Salisbury and Simone Niven were nil. In addition to the sanction for Mr Jacques, estimated at over £1.7 million, a further malice adjustment of £1 million was applied to Mr Jacques' long term incentive plan.

During 2020 in accordance with our triannual policy cycle the Remuneration Committee reviewed our remuneration policy. Now there's no significant change proposed to the overall design. However the policy does need to be brought up to date and incorporate the lessons learned from the Juukan Gorge tragedy as well as aligning certain aspects more closely to shareholders and broader stakeholder expectations.

Under the proposed new policy we intend to introduce ESG measures into the short term incentive plan by reducing the individual performance component from 30% to 15% with 15% now allocated to ESG moving forward. When taken together with the already 20% already allocated for safety, 35% of the short term incentive plan now covers broader ESG metrics.

We have also removed the 1.2 multiplier on short term incentive plans for executive directors and we have reduced pension benefits to 14% of base salary to align with the retirement benefits provided to other employees across the Group. We have also importantly introduced a specific ability to apply malice and claw-back if in the future there is a material impact on our social licence to operate.

Notwithstanding the unprecedented challenges posed by the COVID-19 pandemic the Group's overall performance was very strong. Rio Tinto achieved its second successive fatality-free year, an outstanding achievement in our history. Short term incentive plan financial and safety targets set for 2020 were either exceeded or met except for flexed underlying earnings which fell just short of target resulting in a combined payout of 76% of maximum for those two components.

The estimated vesting for the 2016 long term incentive plan award combining the two TSR and earnings before interest and tax margin portions is 66.7% of maximum. The TSR vesting outcome underlines the Group's strong overall performance during the five year period and the shareholder experience over that time frame with just under half of the vesting value attributable to share price appreciation.

The final vesting outcome of the 2016 award will be known at the end of May with the assessment of the EBIT margin measure. As always, I welcome shareholder feedback and comments on the 2020 remuneration report.

Simon Thompson: Thanks Sam. Let's now move to the formal business of the meeting. The notice of meeting and an addendum to that notice containing the text of each resolution were published on our website and made available to shareholders on 8 March, 2021 and 19 March, 2021. I am going to take both the notice and the addendum as read.

Resolutions 1 to 17 will be dealt with under the joint electorate procedure with Rio Tinto PLC shareholders who cast their votes on these resolutions at the corresponding meeting in London on 9 April, 2021.

Resolutions 1 and 5 to 16 relate to the routine business of annual general meetings such as the receipt of the annual report, the election and re-election of directors and the reappointment and remuneration of the auditors. You will see that the business of the meeting includes three resolutions relating to remuneration. The first, Resolution 2, relates to the approval of the remuneration policy.

The second, Resolution 3, relates to the approval of the implementation report which describes the remuneration arrangements in place for members of the Board and of the executive committee during 2020. This vote is advisory and is required for UK law purposes.

Finally Resolution 4 relates to the approval of the directors remuneration report. This vote is also advisory and is required for Australian law purposes.

As in past years we have included a resolution seeking authority for Rio Tinto to make political donations. We have no intention of altering our policy which is not to make donations to political parties or to political candidates. However, the UK law on this issue is very broadly drafted so we are seeking this authority as a precautionary measure.

Resolution 17 seeks approval to renew the Rio Tinto Global Employee Share Plan, or Myshare. Myshare has been instrumental in promoting employee share ownership and engagement and is an important part of our employee value proposition.

Resolution 18 will be voted on by Rio Tinto Limited shareholders only and has been proposed as a special resolution. It is a routine resolution which comes up every year to allow Rio Tinto Limited to buy back its own shares.

This year, Rio Tinto Limited has two requisitioned resolutions. These are set out as Resolutions 19 and 20 in the addendum to the Notice of Meeting dated 19 March 2021.

Resolution 19 has been put forward by Market Forces as agent for a group of shareholders representing just under 0.02% of the issued shares of Rio Tinto Limited. It is a non-binding advisory resolution requesting that Rio Tinto in its annual reporting disclose short, medium, and long-term targets for scope 1 and scope 2 greenhouse gas emissions and performance against those targets. The resolution also requests that all targets be independently verified as aligned with the climate goals of the Paris Agreement.

As set out in our Climate Change Report, the Company is already substantially in compliance with this resolution and therefore the Board recommends that shareholders vote in favour. We look forward to giving shareholders the opportunity to vote on an advisory resolution covering our climate change strategy at next year's AGM.

Resolution 20 has been proposed by the Australian Centre for Corporate Responsibility, representing a group of shareholders holding just under 0.01% of the issued shares of Rio Tinto limited. It is also a non-binding advisory resolution, and it requests that Rio Tinto enhance its annual review of industry associations to ensure that the review identifies areas of inconsistency with the Paris Agreement.

Where an industry association's record of advocacy is on balance inconsistent with the Paris Agreement goals, the resolution requests that Rio Tinto suspend membership of the industry association for a period deemed suitable by the Board. Since the Company is already in compliance with Resolution 20, the Board recommends that shareholders vote in favour.

We will now take questions from shareholders on any matters relevant to the business of the meeting. Only shareholders or their representatives or proxyholders are entitled to ask questions. If you have joined the meeting online and are entitled to ask a question, you can submit your questions by clicking on the questions icon, then go to the Ask a Question box at the bottom of your screen, compose your question, and select the red send icon.

For those of you in the room holding a blue or green admission card, if you wish to ask a question, please could you queue up at one of the microphones. Can I ask you to respect social distancing measures and stand on the X marked on the floor, and please don't touch the microphone. The attendant will activate it for you. You can take off your mask while you're asking the question but please put it back on immediately afterwards.

Before asking your question, please could you state your name and, if you represent an organisation, the name of your organisation. As many people usually wish to ask questions, please keep your questions short and to the point. It is possible that we may not be able to answer all questions today and if we receive multiple written questions on the same topic, we may group them together. In order to give as many shareholders as possible the opportunity to speak, I will discourage supplementary questions from those who have already asked a question.

Are there any questions from the floor to start with? There's a question at microphone number 3.

Cyril Thoman: (Shareholder) Sorry, I thought you were going to ask a question. Cyril Thoman; I'm a proxyholder. Which countries or regions does the Board see as most likely to lead in the development of green steel production and is there a risk that leaders in green steel development might be located in and therefore shift iron demand to regions such as Europe where Rio Tinto is at a comparative disadvantage due to freight costs, and are we managing that risk.

Simon Thompson: Thank you very much. Sorry, did you mention your name?

Cyril Thoman: (Shareholder) It's Cyril Thoman.

Simon Thompson: Cyril, thank you very much for the question. It's a very good question and one in fact that we were discussing just yesterday at our strategy session. I think green steel is an area where we really have to focus and one of the reasons that we have established our technical partnerships with some of the biggest steelmakers in the world, Baowu Steel in China, Nippon Steel in Japan, is precisely so that we do understand how that market will develop and in particular ensure that we are able to provide them with the products that they need in order to decarbonise their businesses.

There's a huge amount of activity going on in the technology space around green steel at present in Europe and in Asia, South Asia as well. Indian steelmakers also are very active in this area. There are really two potential routes. One is using hydrogen as a reductant; the other is continuing to use coking coal, but then associated with carbon capture and storage. Probably both solutions will apply.

There will be some privileged positions where CCS is appropriate, but in general I think our assessment at the moment is that the hydrogen route is probably the one that will win. It will involve massive investment in technology and new technology, and of course, the driver for this will have to be either a premium for green steel, if consumers are willing to pay more for steel that has been produced without greenhouse gas emissions, or potentially a carbon price to incentivise the investment that will be required.

I think the jury is still out on which regions are actually going to be successful in this, whether it will be the traditional steelmakers or whether in fact we may see an evolution of steel moving to areas that are capable of production hydrogen at low cost using low-cost renewable power. Certainly, that's something where I think Australia has a potential competitive advantage, particularly in the Pilbara. It is really a very attractive location for solar power.

We're already developing a solar power plant at Gudai-Darri, our new mine there, as part of our mainstream mining activities. It's certainly an interesting area that we will be exploring in Australia. We've also got a partnership, technology partnership in Canada to look again at producing green steel using the position we have there with hydro, again clean, renewable energy. So, it's a very good question thank you very much.

Cyril Thoman: (Shareholder) thank you very much. I'm conscious of the fact that you said no supplementaries; I did have another question on item 19. May I be permitted to ask that now?

Simon Thompson: Go ahead.

Cyril Thoman: (Shareholder) All right. Thank you. The shareholders' supporting statement for Resolution 19 notes that Rio Tinto's current emission targets are, to quote, inadequate and that, to quote, further investor support is required to ensure the Company acts to align its operations with and appropriately manage the risks posted by the low-carbon transition required to meet the climate goals of the Paris agreement. End of quotation. Does the Board's endorsement of Resolution 19 mean that the Company recognises its current approach to reducing emissions lacks the necessary ambition?

Simon Thompson: Well, I think there is some confusion here. The Paris Agreement calls for a 45% reduction in greenhouse gas emission from 2010, and if we achieve the targets that we've set for our scope 1 and scope 2 emissions, we will be compliant with that 45% reduction. Now, do we need to be more ambitious? I think the whole world needs to be more ambitious in tackling the challenge of climate change. We have set out the new targets for 2030 last year and we said when we made those targets that they were premised on our existing understanding of technology.

Of course, the other big variable here is government policy, the extent to which government policy creates an enabling environment for businesses like ours to invest in new green technology. But as we progress through that 10-year period to 2030, we will continuously re-evaluate both the technological opportunities that we have, and the legislative framework that we're working in in our various operations around the world to see whether we can raise our level of ambition.

Cyril Thoman: (Shareholder) Thank you very much.

Simon Thompson: Thank you. We have a question from microphone number 4.

Unidentified Female: (Shareholder) Thank you. Am I loud and clear?



Simon Thompson: We can hear you, yes.

Unidentified Female: (Shareholder) Because I'm a bit short. It's okay? Okay then. Thank you. I just want to follow up actually on that question that was asked in relation to Resolution 19. First of all, thank you to the Board and to Rio Tinto for endorsing it, and I am impressed with the way you've responded in relation to Juukan Gorge, so I'm hopeful for good outcomes going forward. I just have a couple of questions about the specifics of your response to Resolution 19, if I may, and there are two questions, so if I can ask them both.

Firstly, the statement discusses our current targets which are set out on a 2018 baseline but then also introduces the baseline of 2010, which you referred to then in your response. Can you please confirm which timeframes will be used to set the short, medium, and long-term targets requested in the resolution? That is, which year will be taken as the baseline and which will be the target years?

Simon Thompson: Thank you for the question. The baseline for the targets that are set out in our Climate Change Report is indeed 2018, as you correctly point out, and the end of the medium-term target is 2030, but as you know, we've also set the long-term ambition of net zero by 2050. So, we are measuring against that 2018 baseline for this set of targets. However, we first set targets for ourselves in 2008 and we achieved a very significant reduction in greenhouse gases from that period, 2008 until 2020. That was the 45% reduction which I was referring to in the answer I just gave to the previous question.

If I may, without muddying the waters still further, there is an added complexity that the previous targets were based on the operations we control whereas the new targets are based on our equity ownership, which is emerging as the standard way of measuring our targets. So, they are not exactly comparable but they're very similar. If you look in our Climate Change Report, available on our website, you will see a graph that shows the path line over the past years and the target that we've set ourselves going forward.

Unidentified Female: (Shareholder) Yes. Okay. Thank you, that does help explain why the graph goes down quite dramatically. Secondly, the statement says that the Company will continue with independent assurance of our emissions. However, assurance of emissions reporting does not amount to independent verification that the targets are Paris-aligned as requested in the resolution. Is the Company planning to obtain independent verification that the targets are Paris-aligned?

Simon Thompson: Well no, but you can - we will continue to get independent verification of the actual greenhouse gas emissions, scope 1 and scope 2. You will be able to - there will be independent verification of each of the points on the graph which I was just describing. The graph itself is self-explanatory because you can see from the 2010 baseline where we will end up if we achieve our 2030 target. That is a 45% reduction, which is consistent with the Paris Agreement.

So, although we're not asking for independent verification that we are in compliance, we have independent verification of all of the data which enables you to assess for yourself that we will be in compliance, if we achieve those targets. As I said in my answer to the previous question, we may well be able to raise our ambition, provided we see real progress on technology or policy over the coming nine years.

Unidentified Female: (Shareholder) Thank you for that.

Simon Thompson: Let's take microphone three. I'm sorry, I didn't see which person stood up first, but let's take this gentleman at microphone three first and I'll come back to you in just a moment.

John Campbell: (The Australian Shareholders' Association) Thank you, Chairman. My name's John Campbell and I'm representing the Australian Shareholders' Association here today. We have proxies from 500 shareholders, a bit more, and only about 600,000 shares, but nevertheless some representation there.

On behalf of my Melbourne colleague, Duncan Seddon, I'd like to thank you for the time you gave us to discuss our concerns prior to the meeting. I've got three questions for you and one, if you don't mind, for the auditor or for you to pass on to the auditor. Would you like me to deal with them all together?

Simon Thompson: Let's take them one at a time.

John Campbell: (The Australian Shareholders' Association) Very good. First of all, from our perspective, the Juukan Gorge caves have exposed some underlying governance issues. The payment of full entitlement to the three Executives, former Executives, who were, in our view, effectively sacked has attracted a lot of criticism and adverse comment. That suggests to us that the remuneration policy is flawed. We are voting our open proxies against it.

Mr Laidlaw did announce some changes, which we heard on the broadcast, but are there any further - is it probable that the Board is going to review the policy any further to make further changes?

Simon Thompson: Yes. Well, I am surprised that you think that the remuneration policy is flawed. I absolutely understand the sense of outrage that people feel at the remuneration settlements that have been made for the departing Executives and I understand that. But we have very deliberately taken on board the feedback that we received from shareholders, as Sam described in his opening remarks.

We have significantly strengthened the discretion that the Board is able to exercise in the malice and clawback provisions. Those are the provisions that enable us to take back deferred awards that may have been made for past performance, in circumstances where an event has occurred which has had a material adverse effect on our social license to operate or reputation.

Now, that right to exercise discretion where damage has been done to Rio Tinto's reputation, or Rio Tinto's social licence to operate, did not exist previously. This is quite a rapidly evolving area of remuneration policy. The awards that were given to the three departing Executives didn't contain that right. Now, we've corrected that.

So, from 2021 onwards, the policy which you're voting on today, that enshrines within it much wider discretions that the Board can exercise. So, I hope that we've addressed your concerns. I'm disappointed to hear you've voted against that policy.

John Campbell: (The Australian Shareholders' Association) That was the decision that my colleague reached in Melbourne, so I'm stuck with it. Second question was our concern with the lack of mining expertise on the Board, particularly given your retirement. Are you planning to recruit further mining expertise and preferably Australian mining engineering expertise to the Board?

Simon Thompson: Yes. As you say, this is something Duncan and I discussed when we met. The answer is, yes. I mean, David Constable, Megan Clark and I are the three members of the Board who have mining expertise. David retired at the end of last year to become CEO of Fluor, so we've unfortunately lost not just his mining expertise, but his project expertise.

As you rightly point out, I've announced that I will not be standing for a re-election at the next AGM and I have a mining industry background. So, Megan Clark, after I have left and

now David is gone, will not only be our most experienced Non-Executive Director, she will also be the only current member of the Board with mining expertise.

But we are actively conducting searches to find further Directors to join the Board and mining skills is clearly an area where we need to strengthen the skills and experience that we have available to us.

John Campbell: (The Australian Shareholders' Association) Thank you, Chairman. Third question was on downstream operations, with particular relevance to Australian downstream operations. We're concerned about the proposals in Resolutions 19 and 20.

Whilst we're supportive of the principle, we're just concerned that they might unfairly expose the Australian downstream operations to refineries to levels of investment to curtailing to lower level of investment and premature closure, in order to satisfy the objectives of the Paris Accord and your policies.

Simon Thompson: Yes. Look, that is, it's a good question. As you know, the PacAI, the aluminium assets that we have on the east coast of Australia are indeed very significant emitters of greenhouse gasses. We've really got two issues with those assets. The first one is just the power price, which means that although they're actually very efficient facilities, they are not particularly competitive worldwide, because of the high cost of power in Australia.

The second problem we have is the one that you're identifying is that they are reliant upon coal-fired power. Having said that, they are intrinsically good assets. We have an extremely skilled workforce. They are located in industrial towns with suppliers, customers, infrastructure, ports, railways.

There is an opportunity here if we work together with other stakeholders, State Government, Federal Government, to repower those assets and actually to create a low-carbon industrial hub in Australia, Australia's east coast. That is going to involve a lot of discussion and collaboration with multiple stakeholders, but we are certainly very focused on trying to achieve that outcome for our PacAI assets.

John Campbell: (The Australian Shareholders' Association) Fair enough. The question that we have for the auditors is that we note that the key audit matters do not include foreign corrupt payments, despite there being media assertions about corruption in Mongolia, as being one of the countries you operate in.

Shareholders have been tenderised by Juukan Gorge distraction and do not need any more bad news, in terms of Rio Tinto being involved in corrupt payments. Please advise what steps your firm and the component audit of Oyu Tolgoi take to make sure there are no such payments occurring, whether directly or in collusion with suppliers, e.g. through over-invoicing the supply of equipment.

In the course of the audit, have the auditors identified any expenditure which could cause the Company to be in breach of its commitment to good governance and compromise itself with regard to the US, UK or Australian bribery laws. If reliance is placed on internal audit in this regard, what do the external auditors do to satisfy themselves as to the depth and independence of internal audit?

Trevor Hart: (KPMG, Auditor) Good afternoon, everybody. Thanks for the questions, Mr Campbell. There's obviously a number of questions within that question. So, perhaps if I just step back and maybe for the benefit of the audience, just introduce myself. I'm Trevor Hart. I sign the Rio Tinto Group financial statements, as the auditor.

Perhaps if I just give a quick overview of our scope and our role as the auditor.

Management, as you will be aware, prepares the financial report in accordance with the accounting standards and the laws and regulations. The Board approve those financial statements. It's then our role to conduct an audit, an independent audit, that then allows me to issue our independent audit report.

In forming our opinion on the financial report, we comply with the auditing standards that develop our approach and allows us to identify the risks of material misstatement really to that financial report. Based on all of the audit work performed, we assess whether this financial report, which is taken as a whole, presents a true and fair view and it's importantly in compliance with laws and accounting standards.

Now, we exercise professional judgement in selecting our procedures, those that we're performing, including we test relevant internal controls and particularly those that are relevant to the preparation and the presentation of the financial statements.

Now, our audit procedures were designed to provide a reasonable assurance that the financial report taken as the whole is free of material misstatement. Based on the results of our work at Rio Tinto, we were able to issue an unmodified audit opinion for the 2020 year.

So, in relation to our key audit matters that you refer to in your question, we've set those out in detail. They're in our report on pages 315 to 319. Really, they're the matters that in

our professional judgement were of most significant in the audit. Just to summarise them, they were evaluating impairment indicators, closure provisions, uncertain tax positions and also the recovery of investments in the Group Company.

Now, it's important to note, I think, that in addition to these key audit matters, there is significant other audit evidence collection and testing across the organisation and the financial statements. In planning and executing our audit, we do have regard to both internal and external sources of information.

Your question relates to the risk of fraud and noncompliance with laws and regulations, particularly in Mongolia. I think it's important to say that auditing standards do not require us to test for the compliance of laws and regulations per se. It limits the required procedures to enquiry of Directors, other management and the inspection of legal and regulatory correspondence. Therefore, if there is a breach of law or regulations that's not disclosed to us, it's not likely that we will detect that breach.

Whereas in relation to fraud, our standards do require us to consider the risk of fraud that has a material impact on the financial report and then design the procedures that will address that risk. For our audit of Rio Tinto, we've set all of this out in Section 5 of our audit report. You'll find that on page 321.

Now, our audit of Oyu Tolgoi is completed within the audit of Turquoise Hill Limited, which is a separate listed company. That audit is performed with the oversight of our Group team and myself, by our teams both in Canada and in Mongolia. It is a relatively smaller company, so therefore materiality thresholds are lower for our testing.

In our audit of Turquoise Hill and for Rio Tinto more broadly, we do understand and test the relevant internal controls over the initiation and the authorisation of purchases and payments, as well as specifically testing samples of those purchases, just to verify the accuracy and the existence of those arrangements.

In addition, in response to fraud risk that we identify, we test a sample of journal entries, including those with high-risk criteria that we determine using our professional judgement. So, we do take all of those factors into account in our testing. We do this in conjunction with our enquiries of TRQ and Rio Tinto's internal legal counsel, ethics and integrity teams as well as internal audit reports, looking also at internal procedures, like Rio Tinto's internal whistle-blower programs.

So, in the course of our audit, I can confirm that we didn't identify any instances of fraud or non-compliance with laws or regulations. In relation to your question on reliance over

internal audit, I think it's important to acknowledge that internal audit is an important line of defence for the Company. But there are very few examples in our own audit where we place reliance on internal audit's work and in those few examples where we do, we do assess the competency and the experience of those performing with testing and we also understand the risks and re-perform a sample of that work to ensure that we're able to continue to place reliance.

I hope that answers the question.

John Campbell: (The Australian Shareholders' Association) Yes, I think so. Thank you Chairman.

Simon Thompson: Thank you Trevor for a very comprehensive answer and just to stress even though Trevor may not rely upon internal audit for the work that he does from my point of view that third line of defence is very important.

Of course we do extensive training to make sure that people are aware of fraud risk and bribery and corruption and in addition we have a whistle blowing facility which we've just relaunched in fact, myVoice. We get about 800 calls a year on that facility and actually about 18% of those do relate to the point that you raised in your question of concerns about relationships with suppliers or other financial impropriety which we investigate and follow up.

Roughly on average about one third of those issues raised within that whistle blowing program are R&D verified as being correct. Then we take appropriate actions. So there is a very active program of management to try and minimise the risk of fraud and certainly very active intervention where we see it happening.

Let's say, I do apologise for keeping you at the microphone for so long and let's take a microphone number 2?

Unidentified Male: (Shareholder) Thank you. I was very heartened by the videos and your statements earlier about your care and concern for cultures both here and around the world. My question is at your London AGM Jubilee Australia asked whether Rio Tinto would publicly commit to funding an urgent impact assessment of its former Panguna Mine in Bougainville as requested by communities there to address the serious risks to health and safety, which have been created by the billion tonnes of mine waste left by the Company.

As you know, communities there have reported widespread flooding of their lands and sacred sites, pollution of their water supplies and destruction of new areas due to waste

flows from the tailings. Rio Tinto's response to that question was that it was working with stakeholders to find a mutually agreed and lasting solution and discussions are actively ongoing.

We consider these responses to be totally inadequate given the urgency of the situation. So I repeat the question, we repeat our question, will Rio Tinto fund an impact assessment so these risks to communities can be properly addressed and when will the Company publicly announce a decision on this?

Simon Thompson: Yes, thanks. Thanks for that question and if I may, I will just give a little bit of background for the benefit of shareholders here as indeed I did when a similar question was asked in London simply because this this is a legacy issue.

The Panguna Mine in Bougainville was discovered back in the 1960s. It was opened by BCL Bougainville Copper Limited in 1972. Bougainville Copper was owned 54% by CRA. The mine operated until 1989 when the civil war broke out in Bougainville and the operations had to be abandoned because of targeted attacks against personnel and infrastructure on the mine.

The civil war continued through until 1998 but in fact, even after the end of the civil war the security situation in Bougainville was such that the BCL, the owner of the mine was unable and was not permitted to return to operate the mine. So the mine was never closed in the way that you would conduct an orderly closure of a mine in normal circumstances.

It was abandoned and that is the situation that we still find ourselves in 30 years later. As you mentioned Jubilee and HRLC Human Rights Legal Centre have brought a case on behalf of roughly 150 members of one of the communities near the Panguna Mine in Bougainville alleging that Rio Tinto has breached OEC guidelines and UN guiding principles on business and human rights.

Now, obviously we take these allegations extremely seriously and we do acknowledge that there have been issues around human rights and indeed environmental issues in Bougainville. We are taking all necessary steps to really assess what involvement Rio Tinto may have had in these adverse impacts.

We really do welcome the involvements of the OECD contact point in Australia in facilitating these stakeholder discussions. What is very clear in this very complex issue is that we really need to involve all stakeholders if we are going to reach a lasting solution to this problem.



That really means involving all local communities that are impacted by these issues. It means involving the government of Papua New Guinea and the autonomous Bougainville government and of course, BCL themselves because BCL still exist as a company.

The discussions we've had so far have been constructive. They have really been focused on broad stakeholder engagement and we are absolutely focused on the impact assessment planning. We really do hope that these discussions will lead to a lasting solution, but because these are extremely complex issues because of the status of Bougainville it is not absolutely straightforward.

We do think that this is a very good opportunity and we involve the USNCP involvement in these discussions. Thank you for the question. Should we...

Unidentified Male: (Shareholder) Sorry, I have one slight follow up to that, because you didn't actually answer the nub of the question, which is, can you commit publicly to making an impact assessment funding decision say within the next month or no, okay.

Simon Thompson: No, I'm afraid I can't make that commitment because we are at this stage trying to get all of the stakeholders involved and make sure that we are truly reaching a solution here, which will be acceptable to all of the stakeholders who have been potentially impacted here.

So we are working hard with all of the people who are currently involved in these discussions to broaden that stakeholder engagement and reach a lasting solution for a problem, which is extremely complex.

Unidentified Male: (Shareholder) So any timeline?

Simon Thompson: I hope we will make significant progress. As I say, the discussions have been very constructive so I'm really optimistic that we will make progress on this, but I, unfortunately can't give you a specific timeline because it's not all within my control. It is dependent upon the engagement in this process of other stakeholders.

Unidentified Male: (Shareholder) Thank you.

Simon Thompson: I'm sorry, let's take this gentleman here to microphone number one, if we may, and I'll come back to you.

Derek Miller: (Shareholder) Mr Chairman, thank you. Derek Miller, long-term shareholder in what I for a long time regarded as Australia's best mining company and that's a significant comment because I worked for one of your competitors for a long time.

My question is similar a little bit to the ASA question only a bit more detailed and specific. When are you going to appoint to a major mining company, a mining engineer with extensive site based mining experience?

This deficiency to me is highlighted by the couple of major issues and you've talked at length of Juukan Gorge. To me as an engineer that is significantly a mine planning scheduling issue that led you into that mess to put it nicely.

Then the Oyu Tolgoi problems are pretty major for Rio is essentially a mining design issue as I understand it. The Board is missing the ability to ask probing questions of your executives and consultants in that area by not having that detailed experience.

Although your people on the Board that have high level mining it's a bit like, well, I ask a similar question at BHP Annual General Meeting. I got the comment from someone, if you work in a dental surgery, it doesn't make you a dentist. In the same way as if you work for a mining company, it doesn't make you a front line mining engineer.

You seem to have had in recent years, a revolving door of executives that were experienced mining engineers.

Your greatest current asset is Hammersley Iron and that was built by mining engineers and railway engineers over a long time. The Board used to have mining engineers on them and two that come to my mind is Leigh Clifford and Mick O'Leary who were long-term mining engineers.

As I said, I've been a long-term shareholder. I recently sold a big chunk of my shares due to lack of confidence in this area on the Board and I'd ask you to give detailed consideration to someone with frontline mining engineering experience and preferably a mine manager, a registered mine managers ticket.

That doesn't seem to be some qualification that gets people to a Board. It gets them to take the flack of the front line, but the registered manager is a significant person in the mining industry. Thank you.

Simon Thompson: Yes, I think your question is absolutely right and we are indeed very focused on getting mining expertise onto our Board. It is essential that we do so. We are a mining company and I would just - I think slightly caveats your comments about Mongolia.

I mean, that is an extraordinary engineering feat. We have had cost overruns and we have indeed had schedule overruns there, but the achievements of the team in Mongolia in designing and building that mine are quite extraordinary.

Unfortunately on incredibly large complex projects - I mean, this is a project, an US\$11 billion, we spent US\$11 billion in Mongolia. Unfortunately there are occasions when there are cost overruns and schedule delays, but we tracked back through all of the approval process that we went through and when the Board approved that process and in fact, all of the risks which came to be materialised were clearly highlighted in that approval process.

Now, unfortunately they were realised on the downside, but nonetheless, there were no things that happened at Mongolia that were not foreseen as a potential risk when we approved that original investment.

I think the way that the team has managed the progress on that mine during the COVID pandemic in particular has just been remarkable. We had a remote site visit to Oyu Tolgoi. The whole Board participated in it. It was an extraordinary event. We even were managing to speak directly to people working underground at that mine from the boardroom, despite the travel restrictions.

There is I think just a tremendous amount to admire in the way that the team has worked on that project but I accept your point that we need more mining expertise on the Board in order to be able to challenge and hold management to account.

Derek Miller: (Shareholder) I just hope you can learn those rock caving lessons and apply it to the Resolution Copper Mine United States, which frankly seems to go on forever and never reach resolution and is probably just as complex as the one in Mongolia, or maybe more.

Simon Thompson: You're right but of course Rio Tinto has a long track record in block caving, starting with Palabora in South Africa and going onto Northparkes in Australia, now Oyu Tolgoi. With every project we learn more, and we will apply all of those learnings to resolution, if indeed block caving is the mining method that we use at resolution. So, thank you very much for your question.

I'm sorry, let's take number three and then we'll probably take a question from the lines at that point. So, don't stand up at the microphones, I'll just take a couple of questions from the lines after this gentleman.

Paul Smyth: (Shareholder) Mr Chairman, shareholder Paul Smyth, is my name. Mine is just a simple question but I think it's quite relevant to item 18. Are Rio Tinto actively considering and preparing construction of tidal wave power at Derby, WA to produce the green hydrogen for use by Rio Tinto? There've been several failed attempts to get this

underway since 1984, I just thought I'd pass that comment and ask for your comments on that subject.

Simon Thompson: I've got to admit I simply don't know the - we're not considering tidal power, but I'm not familiar with the project. Can I suggest - who have we got in the room who might be able to answer that? Mark, have you got any idea? No, I'm sorry, we can't answer that question, but I can tell you that we are not considering tidal power. We have wind power projects, we have solar projects for renewable energy and of course 76% of our power worldwide already comes from hydro, renewable hydro resources.

Paul Smyth: (Shareholder) That's right, and this is really a hydro subject, it's just that it is an opportune moment for Rio to consider that issue.

Simon Thompson: Thank you very much for that suggestion. Let's take a question from the lines, a pre-submitted question or a current question.

Operator: Yes, we have three pre-submitted questions on the same topic, from Mr [Nam Koon Chua, Mr Brett Joseph Dixon] and DWS Investments. What is being done to repair the damage done to Rio's reputation for the destruction of the Juukan Gorge rock shelters and to restore trust with the PKKP? What actions are being taken to prevent the destruction of Indigenous sites in Australia and internationally in the future?

Further, how long will it take to modernise the agreements with traditional owners, and how are critical projects handled in the meantime?

Simon Thompson: I'm going to start with this question and then I'm going to pass to you, Megan. Maybe I can just deal with some of the steps that we're taking, and then I'm going to ask Megan to really talk about the Board's involvement in this and the governance and oversight that the Sustainability Committee will be preparing.

I think that first of all let's just acknowledge that there is a huge amount of work that we have to do to rebuild trust and restore Rio's reputation after the dreadful events at Juukan. We are in discussions with the PKKP about the remedy process, but at their request those discussions are confidential, so I'm not going to talk about those.

We have, as we have publicly said, declared a moratorium around the gorge itself, on mining. We are making good progress again working very closely with the PKKP on rehabilitating the Juukan Gorge itself. So, one of the rock shelters is irreparably damaged by the blast. The other rock shelter at least visually looks to be intact.

So, if it is safe to do so, we hope that we will be able to restore access to that rock shelter in due course, and we are certainly working hard to rehabilitate the area of the gorge that was relatively unaffected by the blast and restore a sense of place to what is a very remarkable location, as Megan and I found when we visited it.

We have transferred all of the artifacts that were recovered from the caves during the three archaeological surveys that were conducted prior to the blast. We retried and salvaged something like 7000 artifacts from the rock shelters during those three archaeological surveys.

Those have now been transferred to a custom-built storage facility and we're in discussions with the PKKP about how they would wish - obviously they belong to the PKKP and we're in discussions with them about how they would like us to manage those longer term. In general, we're making I think reasonably good progress in modernising all of our agreements with traditional owners.

This will be a long process, we have to move at the pace of the traditional owners, it is absolutely vital that we really understand their priorities and make sure that we meet them insofar as we can. We have made a commitment that as we introduce those modern agreements, we will make them public.

There may be some things which are very sensitive to the traditional owners which will need to be redacted, but in general we think that transparency is important here, so as we conclude these modernised agreements, we would intend to put them on the web, subject to the agreement of the traditional owners.

Of course in the meantime we've been very clear that we're not going to enforce any of the confidentiality obligations that the old-style agreements contained. So, traditional owners are free to criticise us if they feel that we're not performing as we should.

Finally, we are in discussions again with traditional owners about the creation of an Indigenous advisory group which will really perform a number of functions that will help coach the senior management team at Rio. It will provide an alternative pathway for traditional owners to raise concerns directly to the Board, because it is the intention that Megan Clark as Chair of the Sustainability Committee will be a member, not a member I'm sorry, but invited to attend that Indigenous advisory group.

It will certainly I think assist both management and the Board in being more sensitive to the issues that arise as we negotiate these new agreements. We've completely changed the reporting lines of our community and heritage professionals, so they now report into

the General Manager of the mine, rather than to a function. So, it's become a line responsibility because the traditional owners told them that they wanted the General Manager who ultimately is responsible for the mining operations, to also have responsibility and accountability for the relationships with the traditional owners.

We are going through an extensive program of training our General Managers to ensure that they have the skills, that they have access to the subject matter expertise that they need in order to take good, good business decisions on that.

Then finally, or not finally, so probably one of the more important aspects of our new Integrated Heritage Management Plan which is really we have looked at 1300 heritage sites, that was mentioned in the video that we played earlier. We've really assessed them by the impact that our operations may have on those sites by the significance of both sites and by the confidence that we have, that we have the free prior informed consent of the traditional owners for any impacts that we're going to have on those sites.

In each of those three factors, if we don't feel that we are sure that we understand, or if we're uncertain whether we have the consent of the traditional owners, then we are adopting a precautionary principle and we are protecting those sites until we are able to consult further with traditional owners.

Which explains in part why we have sterilised 54 million tonnes of iron ore, again as mentioned in the video earlier. Then my final point, this truly is my final point, is again mentioned in the video by Brad, we've voted an AU\$50 million budget really to try and accelerate the career development of Indigenous professionals within Rio Tinto, because we want to ensure that Indigenous Australians have a much stronger voice, not just within our communities, but also within Rio Tinto itself.

So, making sure that our leadership team within iron ore better reflects that relationship with traditional owners, is a key part I think of making sure that our relationships, our partnerships with traditional owners are fundamentally redesigned onto a co-management principle for heritage. Megan, do you want to talk about the role of SusCo?

Megan Clark: Thanks very much, Simon, and I just also acknowledge that we're on the land of the Whadjuk Noongar people, and pay my respects to elders, past, present and emerging. As Jakob has said, the Juukan rock shelters should never have been touched. We breached the trust of the Puutu Kunti Kurrama and Pinikura people.

I can assure you that we are committed to ensuring that this never happens and can never happen again. So, let me just cover - Simon's covered a lot of the actions that we have

already taken in the business. Let me cover for you how the Sustainability Committee will oversee the reforms, oversee and make sure that we are implementing the recommendations of the Parliamentary Inquiry, and also the Board review, and how as in the question by Mr [Tura and Mr Dixon], how we're going to take those lessons internationally as well.

So, I'll just cover that sort of governance piece for you. One of the first steps, and Simon has mentioned this, was immediately looking at any site that could be impacted in the Pilbara in the next two years in our planning. The team is now extending that to the next five years, so in that first step over 1300 sites have been reassessed in consultation with the traditional owners.

No Section 18 is submitted without a letter of no objection from the traditional owners. There's certainly been an absolute commitment to make sure that those sites are all reviewed. Any site where there is any area of doubt, was given a protective buffer, and made sure that we were ongoing with those communications.

The second thing was strengthening our operating model and governance, as Simon has outlined. One of the first things we did was make sure that our communities and social performance model really mirrored the model that we have for safety, one of the recommendations of the Board review.

Then to make sure that we have several lines of defence to make sure this never happens again. Our assurance model starts with a foundation of our standards and policies. But it's not enough to have the standards, those standards need to be lived and they need to be fully implemented on the ground.

It's really about checking that we are building true partnerships with our traditional owners and communities. So, that's our standard area. Sitting above that is our first line of assurance, which is at the operations, and Simon's outlined a couple of I think the two key things there.

The Integrated Heritage Management Planning, as I mentioned is something that not only will we implement here in the Pilbara, but SusCo will see as appropriate how that is rolled out around the world. Really importantly the prime responsibility for the relationship with the traditional owners will sit with the General Manager of the mine.

The traditional owners told us very clearly that they wanted direct dialogue with those who controlled the drills, the mines and the shovel. Sitting above that is our second level of assurance. This is an important level because this is where our experts, our Group risk

function as well make sure that our standards are appropriate, but also make sure that all of the sites have the additional expertise to support them, as well as additional resources right at the mine. Internal audit is a very important part of this level of assurance as a second line of defence because it allows us to check and verify and the internal audit reports directly to the Sustainability Committee on this issue.

Our third level assurance is getting the outside-in view, so getting that independent view from outside to oversee what we're doing and have a check and that's a very important voice. But what's also important is that we assure the changes are effective and that we have the right culture and behaviours on the ground. So, how are going to assure that at the committee? At every one of our meetings, we're reviewing the progress, the implementation of the recommendations of the Parliamentary Inquiry as well as the Board Review.

We're getting an update from an iron ore business on how they are reforming their heritage management and the Committee has requested and is receiving updates on the audit of all our global community and social performance risks. Over time, as we make the improvements in our iron ore business, you'll certainly see that ramp-up of the international review of our risks increasing at the Committee.

The international - sorry, the Integrated Heritage Management Plan as well also now has immediate escalation of approvals relating to sites that are of high priority or of high significance and they are now escalated to the CEO level and if necessary, the Board. To date, no approvals have been escalated; it has not been necessary because all of those sites have been reviewed with the Traditional Owners.

So, as well as those reports, we're using other channels to make sure that the measures we're undertaking meet the needs and the expectations of the Traditional Owners. As Simon mentioned, we visited the site in November and on Monday, we were again in the Pilbara with representations of the PKKP to check that we are meeting their expectations and keep those lines of communications open.

Importantly as has been pointed out in a question, it is so important that we go beyond the Parliamentary Inquiry and the Board Review and learn the lessons of Juukan globally. So, we will roll out that Integrated Heritage Map Plan as appropriate and the Sustainability Committee will oversee this.



As I said, the Sustainability Committee is also at every one of its meetings reviewing our global risks, making sure that we understand these risks are being managed and mitigated and who's responsible for that.

Lastly, reporting on our progress, when the incident first happened, the - one of the key things from the PKKP was privacy and to make sure that we were having those conversations confidentially, appropriately, on the ground. Now as we progress, we have committed to begin reporting and that reporting of our progress will be consistent and timed as well with our financial reporting.

It will also see us holding, and we have already held the first one in both hemispheres, Northern and Southern hemisphere, updates and workshops to comprehensively go through all of the changes that we're doing. I just wanted to assure you as well, my personal commitment and dedication to this.

Simon Thompson: Thank you very much, Megan. Let's take another question from remote.

Operator: The next question is pre-submitted from GWS Investment. Rio Tinto proposes the introduction of an ESG component in the short-term bonus with a 15% weighting. Why do you remain relatively cautious with only a 15% ESG component? Further, your climate-related targets, constituting 2.5% of Executive short-term incentive metrics, does not seem practically ambitious, given your exposure to climate-related risks.

Are there any concrete plans to increase the weighting of the climate target and why has Rio Tinto not linked the LTIP compensation directly to the reduction of Scope 1 and 2 emissions?

Simon Thompson: Good, thanks for that question. The trouble with the short-term incentive plan targets is that they of course have to add up to 100%, so if you just work backwards, we've had extensive conversations with shareholders about the proportion of that target that they feel should be linked to financial performance and the consensus view appears to be that at least 50% should be directly related to financial performance. That is the case in the current design of the short-term plan.

So, that leaves you just 50%; 20% of that target relates to safety and again, shareholders have told us that they feel that that is somewhat light and in particular, the 8% which relates to fatalities, that's a binary element of the bonus so if we have one fatality then that - the Executive immediately lose that component.

But importantly, as well as that simple binary measure of whether we have a fatality or not, we also have a lagging indicator and a leading indicator of our safety performance, which is hugely important in terms of motivating the behaviours we need to really drive safety performance, as we have done so well for the past two years.

So, if you [add 50 and 20] you end up with 30 and we took half of that and allocated it to ESGs. The question I think said that 2.5% was linked to climate change, now that's not actually correct; it's 5%. So, we've allocated 5 to environment, 5 to social and 5 to governance.

The environment component is climate change, linked to the targets that we were discussing earlier on in the first couple of questions. The social component is gender diversity, because although we're making reasonable progress on gender diversity in the senior ranks, we are still not achieving a level of diversity that we want across the organisation as a whole, so we have set ourselves the target of improving that by 2% per annum, really just to get a focus on that area.

Then as you would expect, the governance component of this measure relates to the delivery of all of the action points which Megan was just - or not all of them but a significant element of the recommendations of the Board Review and the Parliamentary Inquiry in relation to Juukan. We may change those targets from time to time.

But that only leaves you with 15% to cover everything else and it is important that there are targets which are really personalised to the Executives for the things that we're really focused on that year; whether it's a strategic objective or another kind of initiative, we do need to have 15% left over. So, those are just the constraints on why we've ended up with 35% allocated to ESG including of which 20% is safety.

I think the point about LTIPs is something we will keep under review, but I would say that most research indicates that the longer term the incentive, the less impact it has on behaviours. I think the trouble with LTIPs which are five year deferred is that people bank them and forget about them, whereas there is an immediacy about the short-term incentives, which I think is more effective for driving these sorts of behaviours. After all, that's what we're trying to achieve with this performance-related remuneration. We're trying to encourage the behaviours that we want from our staff.

Are there any more questions in the room or shall we take another one from online? Looks like we're online again.

Operator: We have two pre-submitted and one online question on the same topic, from Mr [Russell Barwick], [Reverend Adrian George Lane] and Mr [Stephen Maine]. Would Juukan Gorge have happened if Rio Corporate head office was based here? Should the Chief Executive be Australian, with 90% of the profits from Australia? Also, should the Board have a majority of Australian-based Directors, including our first Indigenous Director?

Further, could the lead Australian independent Director, Simon McKeon, comment on whether he believes Rio Tinto would be better treated by Australian and West Australian politicians, regulators and the media if the head office was moved from London to Australia and the Board was populated by a majority of Australian-based Directors? If so, why hasn't that happened yet?

Simon Thompson: Okay, good. Thanks very much for that question. I will start and then I will pass it to you, Simon to deal with the last part. First of all, let's just acknowledge, Australia is our most important country of operation by far. We have roughly half of our employees here and half of our leadership team are Australians and that is what you would expect because this has been and will continue to be an extraordinarily important place for Rio Tinto.

If you look at our new Executive Committee which Jakob has just appointed, five members of that Executive Committee are Australians; three of them resident in Australia but actually, we have Australians also running some of our biggest operations elsewhere in the world. We have an Australian for example running our operations - aluminium operations in Canada, based in Montreal and after Australia, that's our second-biggest country. Certainly, from an employment point of view, quite close to Australia in terms of importance.

On the Board, we have five members of the Board currently who are Australian citizens and if you look at the Directors that I - or that have been appointed during my term as Chairman, we've appointed four new Non-Executive Directors during that time, three of them Australians. Now, two of them are not resident in Australia.

Two of them have pursued very successful careers in the US but they are Australian citizens and I should say the fourth is Ngaire, who comes from New Zealand. So, we certainly haven't - we haven't shown a British bias in recent appointments to the Board.

The other point to make I think is that there may be a misconception about what we do in London. Over the past many years, we have been systematically moving people out of the UK to get them closer to our operations and our customers, so we've opened up regional

hubs in Montreal, in Perth, in Brisbane and in Singapore, which is our commercial operations there.

But we've moved a lot of jobs out of the UK and relocated them to be closer to our operations and customers and the - I think we currently - this may not be an exact number but I think we have about 130 people in London.

It is a very small head office and it is concerned with head office functions, so it's concerned with things like investor relations, strategy, corporate - it's the Company's secretarial team and so on, finance. But it is not involved in operational decisions because those need to be taken at the operations, close to the operations supported by the centres of excellence in the hubs that we have.

So, we have a - the size of the office that we have here in Perth absolutely dwarfs our head office in London. Of course, we have taken further steps to strengthen our presence here. I think we recognised after Juukan that we had allowed some of our relationships in Australia to not be as strong as we should, so the appointment of Kellie Parker, who appeared on one of the videos earlier on, [and is here], as CEO Australia, again, very important.

I think we will be stepping up our presence in the Melbourne office as well as here in Perth where Simon Trott, who comes from Western Australia, is now and he's also here, is now very much the prime contact for politicians and other stakeholders in Western Australia. Simon, over to you.

Simon McKeon: Thanks, Simon and I particularly thank Russell, Adrian and Stephen for this very important question in this forum. We'll all appreciate that this meeting has been dominated I hope by a learning process. We started off very strongly by pointing out our failures that led to the destruction of the caves almost a year ago and I'm as sad as anyone that it took something as tragic as that to lead to so many reforms in this Company including of course the restoration of the right relationships between this Company and as the question has quite rightly pointed out, the nation, which as this point in the cycle provides such a substantial proportion of the revenue, the employment, the business base of this Company.

I can't give a better comprehensive answer to all that has been done than the Chair has just shared with us and that work is ongoing. The gentleman to my left, our new CEO Jakob, has literally engaged with more people of influence in this country than I probably have in my last 10 years and not just shareholders, not just his ExCo, many of whom are

in the room today, but many people who represent the people that we injured, 10 years ago and all sorts of other interest groups as well.

So this has been a year of enormous learning for this Company and most importantly, there is no turning back from that process. This Company did not have the right relationship with Australia 12 months ago. I'm going to ask them three questions if they'll bear with us for another say year and call us to account in a year's time to see if I can answer that question as positively as I want to.

The reality is we're a global company. Most of our shareholders, even though I'm staring at many of you now, are not actually based in this country. It owes its heritage, the greatness to which it aspires to, to many people around the world. Much of them here, but not all, and at the end of the day, this Board is entrusted with the responsibility to get the balance right of a truly global organisation that Australia ought to be feeling very proud of in relation to what it's helped nurture, but in truth, we have our tentacles right around many parts and challenging parts of this globe.

In truth the head office is tiny in London, relative to the operations. Yes, it has a nerve centre aspect to it, but so much of the activity happens outside of that nerve centre. Its CEO has been with us for three months, not in London. I think the ExCo itself, the senior members of the management team are where they have to be. That will sometimes be London but frequently it's everywhere. The idea of one head office for a company like Rio Tinto for me is not really the main game.

I just sum up the answer by saying the question is the right one for this period of time. A huge amount as the Chairman has summed up has been achieved in the last six - sorry, I actually forgot one point, representation on the Board. As the Chairman said, we do have five Australians or those that have Australian citizenship on the Board. Not all of them live here, but again and I think the Chairman has mentioned this on more than one occasion over the last hour, that there is a real focus on continuing to rejuvenate this Board and clearly residency and connection and influence within this country is important.

Right at this point in time or immediately after this meeting, we will not have enough resident Australians on the Board. That is understood, but if I can just sum up again and go back to where I started, I'm going to ask the three questions to hold us to account in the coming months. An enormous amount has been achieved I think in a few short months, starting with an appropriate apology. The work continues. I hope we're held to

account to ensure that we develop the right relationship as I think this Company once had in this country. Thank you.

Simon Thompson: Thanks very much Simon. Let's take another question on the remote, Rachel.

Rachel Durdin: This question is from Mr Julien Vincent from Market Forces. Can the Board please confirm that it still considers its Scope 3 emissions as a material risk to the Company that needs to be managed? If so, can we expect next year's climate change report to include a risk appetite statement quantifying the degree of risk the Company is willing to tolerate in future?

Simon Thompson: Yes, well Julien and I had a very long discussion on this very topic a week or so ago. Of course all of this - just to be clear, all of this hinges on the emissions created by our customers. These are not emissions, direct emissions of Rio Tinto. They're not even emissions relating to the power that Rio Tinto purchases. They are the emissions of our customers and indeed our suppliers, but importantly our customers and 75% of our Scope 3 emissions relate to greenhouse gas emissions of our steel mills, the steel mills that we sell our iron ore to, principally in Korea, China and Japan.

I think the encouraging thing that has happened in 2020 is that all three of those countries have now set targets to achieve carbon neutrality or net zero by mid-century. So Korea and Japan have committed to net zero by 2050. China has committed to carbon neutrality by 2060. So that represents about 85% of our customers. So 85% of our customers are now subject to, or working in a country where the government has set an objective of net zero.

That has fundamentally changed the nature of the discussions that we are having with our customers about the challenge that they face. We talked about it a little earlier on of the technological and indeed policy enablers that will get us to a position where the steel industry produces carbon free steel, green steel or net zero steel.

So our position on this is that it will undoubtedly be more costly, at least in the first instance, to produce green steel versus the old way of producing steel using fossil fuels, coking coal in particular, but actually when you work through what those additional costs will translate into in terms of an end product, they're not huge.

So for example the Energy Transitions Commission has calculated that the cost of investment, the cost of the additional operating costs of producing green steel would add about 2% to the cost of a brand new electric vehicle, because steel of course is not a big

component of the cost of the end product. In most cases it's a relatively small component. Now I think most consumers would be prepared to pay a 2% premium if they were buying an electric vehicle in order to be assured that they were getting carbon free steel, that they were not contributing to greenhouse gas.

So we can see viable technological pathways towards producing green steel. The cost of doing so does not appear to be insurmountable, but there's no question that it will require a massive investment in new technologies and that investment will not happen without incentives, either in the form of premia for green materials, which are beginning to emerge, or some form of carbon pricing that will incentivise that. Obviously we're seeing that sort of incentive being introduced in the European Union and steel manufacturers are welcoming that because it creates an environment in which they can invest in these new technologies confident that they will earn a return on that investment.

So I don't regard this as a risk. I regard this as an opportunity for Rio Tinto to ensure that we are involved in our technological partnerships with the big steel manufacturers and to ensure that we are capable of delivering product to them that will enable them to meet their obligations to reduce their emissions.

Let's - unless there are any more questions in the room, I think we'll take another question - oh there is another question there. Let's take number 3.

Russell Moa: (Shareholder) My name's [Russell Moa] and I'm a shareholder. I want to make a statement, a comment, to a statement that you made. The gentleman that said that we needed mining engineers up there and mentioned the name of Mick O'Leary, well I actually met Mick O'Leary with my actions at Argyle diamond mine.

Now Mick O'Leary also worked for CRA. Now CRA had the Bougainville mine that you mentioned before. You said, I've got a new person that you thought it was a separate company to Rio Tinto, some people might not know that but CRA stands for Conzinc Rio Tinto of Australia and what's then morphed into Rio Tinto. So I got the impression that you thought that that was a separate company. That wasn't, it's actually the Company.

Another question I'd like to put to the Board is apparently the Juukan caves blast, whatever, was probably put down to the mining - lack of a mining engineering input but I'm led to believe that's worth something like over US\$100 million in iron ore that's been blasted. My question is, is that iron ore going to be quarantined or is it going to be mined?

Simon Thompson: I'm sorry, first of all let's deal with the first one. I didn't wish to - I mean of course CRA is very much part of Rio Tinto, absolutely right. I'm sorry if I gave the impression that I didn't recognise that, that very proud heritage of Rio Tinto.

To the second question is, absolutely not. As we have declared a moratorium on the whole area around Juukan Gorge and there is no way we are going back in there to mine, nor should we have ever contemplated mining in that area. It was a terrible, terrible mistake and one which we absolutely are determined to make sure never happens again.

It's not - frankly the value of the iron ore is irrelevant. What is important is to preserve that site which is of exceptional cultural significance regardless of the value of iron ore that may sit beneath it.

Russell Moa: (Shareholder) Like the gentleman that mentioned Mick O'Leary, I've got a quarry manager's certificate [Laughs].

Simon Thompson: Should we take - let's take another question from the floor here? I think it's number 3 again.

John Campbell: (Shareholder) John Campbell again, Chairman. Just to follow up on that subject, the video said that you were sacrificing 54 million tonnes of iron ore. I'm - just guessing that the - I mean obviously that would take some time to mine and export and the prices might change, but if we assumed for the ease of calculation US\$100 a tonne, that would be over US\$5 billion worth of revenue which you're sacrificing. Are we not in danger of an overreaction in this regard?

Simon Thompson: I don't think we are and I think - thanks for the question. It's an important question, but let's just put this in context. Our total reserves of iron ore currently in the Pilbara are about three billion tonnes. Our total resources are about 22 billion tonnes. The area that we have sterilised is 54 million tonnes. Now we can find alternative iron ore to mine for many, many, many years. We absolutely should not endanger the whole future of our industry and Rio Tinto in particular by having a repeat of what happened at iron ore.

So the precautionary approach that I talked about, making sure that we preserve these sites until such time as we have absolute confidence that we have the consent of the traditional owners to mine there is exactly the right approach, in my judgment.

John Campbell: (Shareholder) Fair enough.



Simon Thompson: Thanks for the question. I think let's take another question on - have we still got more questions to come? Yes. Let's - why don't we take a couple more questions online and then perhaps we'll draw proceedings to a close because I sense that we're running out of questions here in the hall.

Rachel Durdin: We have two pre-submitted questions on the same topic from Mr [Arpad Chesco and Namadgi Pty Ltd]. Why are you all pushing for this false climate change agenda? Has the Board attempted to win favour with anti-mining groups after the disaster of blowing up the Juukan Gorge caves by agreeing to support Resolutions 19 and 20.

Simon Thompson: Look, I – thanks very much for the question and of course, I respect your opinions but I have to say, I disagree and I think Rio Tinto accepts the scientific evidence for anthropogenetic climate change and frankly, I think we regard climate change and the closely related biodiversity crisis as probably the two defining issues of our age.

But happily, I think Rio Tinto has a hugely important role to play in trying to address this, not least by providing materials that are absolutely essential for the transition to a low-carbon economy, so as I said in my introductory remarks, we recommended a vote in favour of these two resolutions, largely because we're already in compliance with the requests that were made by those two shareholder groups.

We do already identify industry associations who have different positions from us on climate change and we actively engage with them to try and move that position. We think that is the way to advance the debate and as we discussed, I think, with the first or second question, we have already set short, medium and long-term targets for greenhouse gas reduction which are in compliance with the Paris Agreement.

So, we had no difficulty at all in recommending shareholders to vote in favour of those two resolutions because they are very much aligned with our current practice and our practice going forward. But thanks for the question. Let's take one more question, shall we, online, and then we'll perhaps move to the formal proceedings?

Rachel Durdin: The next question is from Mr Daniel Gocher from the Australian Centre for Corporate Responsibility. Our former Chief Executive Officer said in July last year that high electricity prices meant Rio's Australian aluminium smelters were on thin ice. Given the collapse in electricity prices over the last 12 months, will Rio commit to keeping its Australian smelters open and more importantly, decarbonise them over the next decade?

Simon Thompson: Yes, thanks, Daniel, for the question and again, we had a good engagement with ACCR on this and other issues. I think I have actually largely answered

this question because we did talk about the PacAI assets earlier on and the need to address both the relatively high cost of power in Australia as a short-term issue but then as a longer-term issue the need to repower those smelters with renewable energy so that there is a sustainable future for those in Australia.

That is an area where we are actively involved and actively engaged with state and Federal government and other stakeholders to try and map out a pathway forward. Let's just take one last question and then I think we will probably draw things to a close.

Rachel Durdin: It's just loading. This is a pre-submitted question from Mr [Kim Lesley Hopkins]. With regards to donations for the year 2020 to 2021, individually to whom, why and how much was donated by the Company to each organisation or individual and what is the benefit to the Company in making these donations?

Simon Thompson: Well, look, Jakob hasn't actually answered a question yet, so I'm going to start on this and then I'm going to pass this to Jakob. Look, the donations that we make are relatively small compared to the size of the business as a whole but they're an important part of our contribution to society.

Obviously, the main impact that we have as a business is through the economic contribution that we make which I talked about earlier of a \$47 billion of economic contribution that we make through our payments to our employees, our suppliers, governments, shareholders and so on.

But actually, we need to do more than just pay our taxes and pay our employees and pay our suppliers, we also need to make a contribution to the communities where we operate, and I know this is going to be a big focus for Kellie – Kellie Parker is CEO Australia – as we go forward to think about how we can do this more effectively. Last year, we did make donations totalling about \$47 million.

Quite a lot of that was directly related to relief for the COVID pandemic, really trying to help some of the communities where we were operating that were clearly vulnerable but didn't have appropriate medical facilities and where we could help them really to manage their way through this extraordinarily difficult situation.

But we've also spent money on skills development, on education, on health more generally, so we're sponsors of the Royal Flying Doctor service, as an example, and of course, we also make donations for cultural and heritage issues and I think that will be a focus for us going forward. You can see examples of the sort of associations and charities

that we do support on our website and I know Jakob has got a couple I think in particular that he's quite keen on.

Jakob Stausholm: Thank you, Chairman, and thanks for the question. What are the benefit to the Company making these donations? I think you should see them in a wider context. The main benefit of this Company to society - and if you take Australia, we are the biggest or the second-biggest taxpayer in the country - that we are able to contribute with employment, et cetera.

But I talked about the four priorities in my speech and the fourth one I talked about, our social licence, about Rio Tinto becoming a more outward-looking Company, more in tune with society. We need to go over and above paying taxes and we do so, and I think you will see us doing more in the future, but what is very key for me and for the Board is that when we spend money on donations, it has a clear purpose and it's linked to our purpose and I think that's exactly what we are doing.

Simon mentioned the flying helicopter's a longstanding partnership that we are very proud of being part of. We have also - on the educational side, had a longstanding partnership with the Clontarf Foundation, where more than - well, around 10,000 young people are going through those programs in many places in locations where we are mining and so on. So, you will see us looking for doing the right things.

It's not necessarily a given around the amount, but more than half of our global donations are given in Australia with some disproportionality as well towards Western Australia where, for example, we also donate to the [unclear]. So, I do consider that it's an important part of our business and the money that we are spending today makes a real difference, so thanks for the question.

Simon Thompson: Thanks, Jakob. We've got another question. This is going to be the final question, I think, and then we will move to the formal business. Thank you. Number two.

Greg Fletcher: (Shareholder) Hello, Simon. Thank you. My name's Greg Fletcher, I'm a shareholder. My enquiry really is to - I know this is the AGM, but you have linked it to future markets. With the China question, which was only discreetly mentioned once, we have the Republic of China and the Chinese Communist Party, how they operate is quite interesting, but is Rio looking at this major business market? What is the future outlook for this Company in dealing with China?

Simon Thompson: Yes, that's a very good question, thank you for that. We do have a complex relationship with China. It is, as you point out, our biggest customer. Our biggest

single shareholder is also Chinese. It is an increasingly important supplier and technology partner.

I talked about some of the climate change partnerships that we've established in China, not just with Baowu Steel but also with Tsinghua University, who are very much involved in developing both China's technological response to climate change but also their policy response, so they're involved in the fourteenth five-year plan, which we've just seen and the sectoral analysis that sits beneath that.

We are focused on trade. That's what we as a Company need. More than 90% of our products cross at least one border, so free trade is really our lifeblood and we support the whole principle of free trade. There may well be political differences that occur between China and Australia or China and Britain, but certainly in our discussions with our shareholders, with our suppliers, with our customers there, we are focused on trying to meet their needs and trying to do so better than the competition.

I think that is how we should continue to try and safeguard our relationship with China, and I have to say, to date we have not suffered significantly from the tensions that exist between the US and China or the tensions that exist between Australia and China. We had some minor tariffs imposed on our Borates operation in California, just because it got caught up in some actions against US companies, it was not directed at Rio Tinto.

But happily, to date we haven't had any major impacts on our business and we will continue to work hard to really maintain and strengthen our relationships with this very important country for Rio Tinto. I know there are - I think we still have got some questions on - can you just give me a sense of how many questions are online, because if there are a lot, I think what we may do is just respond to them directly?

Rachel Durdin: There are quite a few more in the queue, Chairman.

Simon Thompson: How many have you got, roughly? Can you give me a sense?

Rachel Durdin: More than 10.

Simon Thompson. Okay, look, I'm sorry, I think given that, what we will do is we will respond to those individuals directly because I think - I just get the sense in the hall that people are beginning to leave and probably, we'd like to draw - unless there are more questions in the hall, I'll happily take those. No, I think we've - so, we will certainly get back to all of the people who have submitted questions online, but I think we will now, if you don't mind, move on.

So, thanks, really, to everyone who has asked questions. We do now need to move on to the voting, so those who have not already voted, please do so. As I mentioned at the start of the meeting, many of you have already voted by proxy and therefore you do not need to vote again, but those of you who are participating online and who are eligible and wish to vote and who have not appointed a proxy, please vote now.

Just click on the voting icon on your screen, select your preferred voting option and follow the prompts. There is no need to press submit or to click the enter button; the vote is automatically recorded. If you have any difficulties, please refer to the user guide, which you can access through the platform. For those of you in the room, if you are eligible to vote, have not yet done so and have not appointed a proxy, you should complete your voting card on the back of the blue admission card.

Please cast your votes by filling in your name, your voting intentions and then signing the voting card. Please either hand your completed card to the registrar staff or post it into one of the ballot boxes at the exits as you leave the room. If you have any difficulty, one of our attendants will be happy to assist and the polls will close approximately five minutes after the end of the meeting.

Scott Hudson and Rod Somes, who's here today from Computershare Investor Services, have been appointed as joint returning officers for the poll. The results will be announced as soon as possible after this meeting and will be posted on the Rio Tinto website.

I would like to conclude by thanking all of our shareholders for your continued support and I also want to thank all of our employees, contractors, suppliers and partners around the world for their outstanding contribution during a very challenging year. So, let me finish by thanking them and wishing all of you good health. I now declare the meeting closed.

**End of Transcript**