

9 April 2021

Rio Tinto Plc AGM – address by the Chairman

Simon Thompson, Chairman

Rio Tinto Plc Annual General Meeting, London

2020 was a challenging year for everyone. But it was a particularly difficult year for Rio Tinto. 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 all 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 \$12.4 billion and free cash flow of \$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 \$47 billion, including \$8.4 billion in taxes and royalties. And we were able to further strengthen our balance sheet, with net debt at year-end of \$0.7 billion.

In view of this robust operational and financial performance, the Board is recommending a final dividend of 309 US cents per share and a special dividend of 93 US cents per share, taking total dividends declared to shareholders for the year to \$9 billion.

Given all the changes and uncertainty created by the pandemic, it would have been easy to lose focus on safety. So I am very proud of the team 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 importance of 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, all of these achievements were overshadowed by events at the Juukan Gorge in Western Australia, in May last year.

The destruction of the Juukan rock shelters was a breach of both our values as a company and of the trust placed in us by the Puutu Kunti Kurrama and Pinikura people and other Traditional Owners of the lands on which our business operates.

Last year, Megan Clark and I visited the Juukan Gorge with the elders of the PKKP. The visit was my first opportunity to apologise in person, and to see and feel their sadness and pain first-hand. In three week's time, Megan and I will be going back to visit the PKKP, to review the progress that we have made on the remedy process and re-building the trust that has been lost.

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 Juukan tragedy.

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

As a consequence of these changes, we 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 our 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, and to re-establish Rio Tinto as a leader in social and community performance.

And I am convinced that Rio Tinto will emerge from this crisis a better, stronger and a more caring company. Thank you.

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