

Slide 1 – J-S Jacques cover slide

Thank you Jason.

It is great to be here this year and I am really looking forward to the conversation today.

Slide 3 – As pioneers in mining and metals we produce materials essential to human progress

In February we talked about how we are ‘performing today’ and ‘transforming for tomorrow’. Since then, the world has fundamentally changed. However, our overall approach to perform today and transform for tomorrow, underpinned by our 4Ps strategy, is even more relevant, as we navigate a Covid-19 world. And this is what I want to talk about today.

There is absolutely no doubt our industry has been impacted by the tragic recent events. However, unlike other industries who face significant impacts, the mining business continues to perform despite various challenges. And performance right now is about keeping our people and communities healthy and safe, and building further resilience.

As we look to the future, we believe our industry will also need to transform to operate and thrive in a new reality, whatever this may be. It is fair to say, we have already learnt a lot through this crisis and shown we can adapt fast. We now need to seize the moment to create an even stronger Rio Tinto.

Key to Rio’s approach remains to have a portfolio of world-class assets, a strong balance sheet, a disciplined capital allocation, superior market insights and partnerships.

And we are now, more than ever, focused on understanding and managing our critical risks. We do also see the potential for new opportunities to emerge. As

history has shown, great innovation often springs from difficult times. To make the most of these we will enhance our resilience; strengthen our partnerships and continue to adapt; all with an aim to maintain our strong performance.

Slide 4 – Robust performance

And so far this year we have continued to deliver. All of our assets are running and demand for our key products such as iron ore and bauxite remains strong. Our Q1 production report which we released in April, shows our iron ore assets are performing well in a strong pricing environment. We are on track to meet our 2020 iron ore guidance.

We also paid the 2019 final dividend of \$3.7 billion in April and continue to invest in our business, despite flagging lower capex for 2020, due to the impacts of the pandemic – a combination of supply chain issues, people availability and potentially, permitting delays.

Over the last four years we have:

- Delivered an industry leading margin with an 18% average ROCE, including a 24% ROCE in 2019;
- Invested \$18 billion in capex to grow and sustain our business;
- Returned \$36 billion to shareholders in the form of dividends and buy backs; and
- Contributed to society, paying \$67 billion in supplier payments and \$23 billion in taxes and royalties.

So, we have a strong track record and over the years we have shown we are both, robust and resilient. The key will be maintaining this in a challenging operating environment, in the days, months and years ahead. So, so far so good but we are not complacent.

Slide 5 – Geopolitics the dominant scenario force today

Indeed, as we look to the future it is fair to say that we do not know what the world will look like. But it is absolutely clear that things have got even more complex.

Just take a look at the rolling news headlines every morning. We have not experienced anything like this in recent history. In January, who would have thought that international travel would have almost ground to a halt by May. 97 countries have implemented total or partial border closures, according to the UN WTO Report. And unemployment is set to rise dramatically in most countries. As one example, the US rate is currently at 15%, the highest since the Great Depression. And it is worth reminding ourselves that in February, it was at a record low of 3.5%.

So the movement of people, and goods, will be restricted. As will the movement of data and it is likely that wealth distribution will fundamentally shift. So, significant uncertainties will exist over the short, medium and potentially, long term.

In terms of the pandemic, we see it in three phases - response, recovery and re-set. From a response perspective, different countries are in different phases, and right now there is a lack of co-ordination between nations. And we are experiencing what we call, a realpolitik world, one with the potential for rising nationalism, increasing tensions – like the US/China relationship, and trade dislocations.

In terms of recovery, many predict either a W or a V shaped economic recovery. Although, to be honest, it is just too early to tell, and we have prepared a range of different scenarios. We believe three key factors will shape any recovery scenario. First, the fear factor. Much will depend on how society chooses to respond - especially peoples' willingness to get back to work during a health crisis. Second, the effectiveness of the health measures put in place, including the introduction of a vaccine. And third, the effectiveness of economic stimulus to encourage consumer spending and business investment. What is clear is that regardless of the shape of

the recovery, the world will see slower GDP growth, and trade impacts. Both key drivers of the mining industry.

Alongside these challenges there will also be opportunities. So, the question is this: how will Rio Tinto continue to compete and win in this new world? At Rio we remain committed to our 4Ps strategy: Performance, People, Portfolio, Partnerships. And we are developing action plans with three key outcomes in mind - how to enhance resilience; how to strengthen partnerships; and how to ensure our business adapts quickly. All with the aim to deliver shareholder value in the short, medium and long term and continue to positively contribute to governments and communities. Our partnership to operate is absolutely critical, we need to win the hearts and minds of our local communities and governments.

Slide 6 - Enhance resilience, strengthen partnerships and continue to adapt

Enhancing resilience for us, is really about resilience of performance – from safety to free cash flow. Strengthening our partnerships and quickly adapting will be key to any transformation effort. Each of our asset and commercial teams are stress-testing their businesses against these three dimensions in terms of both current and future performance, as well as new opportunities. I will quickly share some thoughts on each.

Slide 7 – Financial, operational and commercial resilience

Starting with, resilience. There is absolutely no doubt that higher volatility and uncertainty in our business environment is the ‘new norm’. As recent events have shown, we need to expect the unexpected. And I do not see this changing in the decade ahead. To out-perform companies must be resilient. Enhancing resilience is what we, at Rio, have been focussing on for a number of years to create optionality. You can expect the same discipline from us in the future.

Let me give you some examples of what I mean. We have strengthened our balance sheet. Our net debt has moved from \$13.8 billion to \$3.7 billion over the last 4 years and we have improved our capital allocation process. We have also simplified the portfolio, divesting \$12 billion in non-core assets. These moves mean we are therefore well positioned to withstand shocks, and move on opportunities.

Resilience also comes from having a clear strategy, and a deep knowledge of your customers and markets. At Rio we remain committed to our value over volume strategy, to drive performance, productivity and free cash flow per share. We will also continue to strengthen our understanding of the market and develop our relationships with customers.

To create further resilience we are also enhancing our understanding and management of hazards and critical risks. Safety is non-negotiable for us. One of our core values and we are doubling-down on our efforts to keep our people safe. And, of course, health has now taken on even greater emphasis, for obvious reasons and will shape the way we operate for some time. Potentially, forever.

Finally 'resilience' for our industry increasingly means managing sustainability issues very well. At Rio, all of our operations have climate considerations and resilience built into their operational and strategic plans.

We are also focussed on enhancing our relationships with host governments, communities and employees. These relationships have been critical in recent times and as you have heard me say before – 'licence to operate' is a make or break for our business.

In a world where digital, technology and new skills will be needed our employees remain key to our success. We have invested in enhancing their technical, and commercial capabilities. As we look ahead employee and leadership diversity

will also underpin our performance, in addition to partnership, which will be key to how we transform ourselves.

Slide 8 – Partnerships across the industry value chain to drive success

Let me say a few words on partnership. Traditionally the mining industry has been hyper-competitive. We compete for access to the best resources, the best talent, the best markets. Although, there has been greater recent collaboration, for sure – which we have started doing on tailings management, climate change and others, supported by industry associations.

Collaboration in the future also needs to extend to partners across the value chain to unlock new sources of value creation. Like partnerships for growth and access to resources and partnerships in new frontiers for the industry, like digital and technology, block chain, automation etc.

Partnerships are also key to de-risking. This means partnerships with customers, suppliers, governments and communities on emerging issues such as environmental performance, wealth sharing. And complex project development, to name but three.

At Rio we are developing a stronger partnership approach as you can see on the slide. We have developed new partnerships in China with our customers, in Australia on education initiatives with universities, and in the US and Canada on new technologies. These are key to enabling us to solve problems, create new solutions, contribute to both shareholder value and society and most importantly to our ability to adapt quickly - the third and last point I want to cover today.

Slide 9 – Adapt in a fast moving environment

Of course, the immediate test-case in our ability to adapt with pace is Covid-19 related, but as I mentioned earlier we think this rapid response to changing

conditions may become the norm. And what Covid has shown us, is that we can do it.

Let me give you some examples: we moved all of our iron ore employees to different rosters in a week, where previously it may have taken a year. We screened 9000 of our employees in a few weeks through testing facilities at Perth airport which we set-up from scratch, with the full support of the government both at the Federal and State levels. And we have maintained business as usual across 36 countries despite a significant portion of our workforce working from home. We also re-shaped our products at some operations in a week to fit with changing customer requirements.

I am absolutely loving the agile new Rio Tinto and there are some recent gains we want to lock in, to enable future performance, such as:

- increased collaboration across the business and with partners;
- a closer partnership between commercial and the operations;
- and greater regional and locally empowered decision-making.

These changes have enabled us to adapt quickly. And in a world where capital may be scarce, and the tolerance for risk lower, we want to maintain these characteristics to unlock new sources of growth, financing and market opportunities.

You have heard me say before that mining developments of the future may start smaller and be embedded with optionality for growth over stages, yielding quick cash flows to shareholders, communities and governments. Such as, our Winu project in WA. In the post Covid world this type of development approach may become more viable.

Rio Tinto has a diverse portfolio with a 72% EBITDA margin iron ore business,

generating \$9.6 billion of free cash flow – a business many would like to have right now. We also have a range of growth options – in iron ore, in copper and in battery minerals. So, we are patient and will make investment decisions based on market fundamentals which are clearly, shifting. We know that adaptation is also thinking about our future portfolio. We are keeping a watching brief on M&A. Right now, the market is finding it difficult to value companies and the Covid-19 recovery pathway is not clear. Rio Tinto will only transact if an opportunity creates value. We remain patient but not complacent.

Slide 10 – \$36bn cash returns since 2016 including \$3.9bn paid in 1H 2020

Let me close with a reminder of why we are in business – to create value. The last four years are not just about strong financial and portfolio performance. It is also a consistent story of disciplined capital allocation.

Our business generated over \$62 billion over a four-year period. More than two thirds, or \$50 billion of this, came from operating cash flow. On the back of this, we paid \$36 billion, to our shareholders. That is equivalent to over two thirds of our market capitalisation at the beginning of 2016.

We have strengthened the portfolio, divesting \$12 billion of assets. We have reduced our debt by \$12 billion. And we have invested \$18 billion in growth and in sustaining our world class assets.

Our track record is strong and we have a solid base for future investment and returns. So, Rio is well placed. There will be uncertainty ahead but we have a clear strategy to perform and transform. It is all about creating sustainable and superior value day-in and day-out. And we will do this through enhancing resilience, strengthening partnerships and adapting quickly.

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