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Mining Indaba 2022

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Check against delivery

Your Excellencies, Honorable Ministers, ladies, and gentlemen - good morning.

It is a pleasure to be back in South Africa and to be here at Mining Indaba.

This is my first Mining Indaba since being appointed Rio Tinto's Chief Executive for Minerals and Africa Sponsor, and I feel very lucky to be able to attend in person.

Many of you will remember my predecessor, Bold Baatar, who is now leading our Copper Product Group and continues to progress the Simandou project in Guinea.

Simandou will no doubt continue to prove valuable to Rio Tinto and transformational to Guinea. Recently, together with the Guinean Government, we signed a framework agreement which sets out the co-development of vital port and rail infrastructure. An important step towards realizing Simandou's potential.

When I was appointed, most of the world was under some form of lockdown restrictions, which meant taking over such a geographically diverse Product Group, came with its challenges.

But it was exciting! And on a personal note, becoming Rio's Africa Sponsor felt like a full circle moment for me.

When I joined the mining industry (and Rio Tinto) back in '97 as a young geologist, my first international posting was in the underground mine at Palabora, here in South Africa.

Of course, a lot has happened since then – for the mining sector as a whole; for Rio Tinto as an organization; and for me, as a leader and a woman in the industry.

Around the same time as when I joined Rio (1997), the world saw its first global climate change agreement – the Kyoto Protocol.

And for many, this was the first real indication that major emitters, such as the mining industry, would need to prepare for a climate conscious future.

This was reaffirmed in 2015 with the Paris Climate Agreement. Almost 200 countries met and pledged to set emissions targets that would stave off severe climate disruptions by keeping global temperature increases under a 1.5-degree Celsius threshold.

Currently, the warming trajectory suggests we are closer to an average global temperature increase of 2.5 degrees Celsius.

And this should concern us, and I believe that for the vast majority of the world, it does.

According to the African Development Bank, 7 of the 10 countries most vulnerable to climate change are in Africa.

Already, we are seeing these effects play out in real time. We saw this here in South Africa with the recent floods, that caused significant damage to KwaZulu Natal, and tragically, the loss of 450 people.

We've seen similar events in other parts of the continent too.

In the first few months of this year, Madagascar, where we have our QMM operation was hit by five storms and tropical cyclones, affecting almost a million people. This is noticeably higher than the annual average of 1.5 cyclones, which generally affect up to 700,000 people.

Such extreme weather events have caused rising sea levels in Africa's Indian Ocean islands. Madagascar and Mauritius have seen sea levels rise above 5mm per year – much higher than the global average of 3 or 4mm a year.

Beyond the direct impacts of climate change on the continent, there are concerning knock-on effects. For example, according to the African Climate Policy Center, at current temperatures, Africa's GDP is expected to decrease by anywhere between 2-12%, risking jobs vital to keeping millions of people out of poverty.

The truth is, climate change is the biggest existential risk we face and one that requires an urgent response, particularly here in Africa.

To complicate this challenge, addressing climate change requires the sort of global partnership and collaboration that has become quite fragile, at a time of growing deglobalization and disconnectedness.

Still, regardless of the global divisions, the concern for climate change and the environment has not fallen away. If anything, it has grown stronger, and societies increasingly demand for governments and business to address this existential risk.

So, what does all this mean for us, miners?

What is our contribution to the demands of society and how do we deliver on them?

What actions do we take to mitigate the worst effects of climate change here in Africa?

And to answer these questions, let me turn to some of the changes at Rio Tinto and what that looks like for our business here on the African continent.

In 2021, recognizing the urgency of this challenge, my colleagues and I set out to develop our most ambitious strategy - with a vision of transitioning to a low carbon future.

With this strategy, we aren't only responding to the global challenge, we are leveraging what we believe is an opportunity for us to reshape our role in a future that demands care, courage and curiosity – values we hold and ones we are determined to demonstrate.

So, what will we do differently?

Firstly, we will accelerate our own decarbonization, switching to renewable power, electrifying processing, and where possible, even running electric mobile fleets.

This is in line with our new climate commitments, which brings forward to 2025, our previous 2030 target of a 15% reduction in Scope 1 and 2 carbon emissions.

And we are also tripling our previous 2030 target from 15%, to a 50% reduction in our Scope 1 and 2 carbon emissions, against our 2018 baseline.

All of this is in preparation to being a net zero business by 2050.

We will also increase our investment in R&D spend to speed up the development of technologies that will enable our customers to decarbonize. This also includes developing technologies to maximize value derived from the circular economy.

On Friday last week, Rio Tinto Iron and Titanium, announced the successful production of its first batch of high purity scandium oxide from ore mined in Canada and Madagascar, becoming the first North American producer of this critical mineral.

RTIT uses an innovative process to extract high purity scandium oxide from existing waste streams of the operation. A process that reduces our waste, while extracting a mineral that is vital for the low carbon transition.

For those who don't know what scandium oxide is, it is used to improve the performance of solid oxide fuel cells which ultimately become a power source for critical infrastructure, such as data centres and hospital. It is also used to strengthen aluminium, creating alloys that meet our customer's advanced technology demands.

Finally, we will prioritize growth capital in commodities that are essential for the drive to net zero. Our steel, which is used in solar panels and our copper which is critical to driving energy efficiency, will continue to be areas of growth for the business.

Lithium, borates, and other critical minerals will also be a priority going forward, and one that will be driven by our new Battery Materials business, which focuses on finding, producing, and refining critical minerals to meet our climate commitments.

I am proud to say that in under a year, we already seen our strategy being rolled out here in Africa.

For example, in December of last year, together with the Madagascar government, we launched the construction of an 8MW solar plant and a 12MW wind plant at our QMM operation in Fort Dauphin.

Once completed, this renewable energy project will replace up to 60% of the mine's heavy fuel consumption with clean energy.

QMM is leading the charge towards sustainable mining. As an operation, QMM has set a goal of being carbon neutral by the end of next year!

Such renewable energy initiatives are a major step towards achieving this and contribute to Rio Tinto's group targets.

Of course, because of Madagascar's unique biodiversity, I think it's important that when speaking about QMM, I mention some of the work we are doing in this regard as well.

Significant effort is being made with regards to sustaining the flora and fauna surrounding the QMM. Much of this has been done through partnerships with both local and international NGOs, including Birdlife International and the International Union for the Conservation of Nature.

As part of the drive towards being a sustainable mine, in 2021, we began a programme of offsite afforestation, planting 500 hectares last year, with a further 1,500 hectares to be planted by the end of this year.

Over QMM's life of mine, we will also restore 300 hectares of wetlands and 200 hectares of littoral forest on the Mandena deposit with carefully selected native species.

Our communities, who depend on the vegetation in the area are already benefiting from our restoration programme. In 2021, 600 community members harvested plants native to the region, from previously restored wetlands.

One plant, in particular, is a thin reed that when woven, makes beautiful traditional mats, hats, and other products that are often sold to supplement many household incomes.

Like in Madagascar, our environmental programmes in South Africa strive to ensure that we leave our mined areas in at least the same condition we found them.

Our Richards Bay operation in KwaZulu-Natal, aims to achieve a 1:1 ratio of land use and land rehabilitation as soon as areas mined become available. To date, our rehabilitated areas is over 3,300 Ha.

Both QMM and RBM form part of our Iron and Titanium business which, I think is a good example of how we can contribute to the demands of people and our planet.

As we decarbonize our operations and protect our environment at the front end of the value chain, further downstream, we contribute to the shared low carbon transition objective by providing our customers with

inputs to renewable technologies, such as wind turbines, which are coated by some of our Iron and Titanium products.

As I've said, collaboration is essential to responding to climate change and here in Africa, we will continue to seek opportunities to work with our customers, suppliers, governments, and partners to deliver on our collective desire to reduce carbon emissions.

Of course, our host communities continue to be critical partners, and ones that we know will benefit from our decarbonisation drive and our environmental stewardship. An example, QMM's renewable energy project will provide clean energy to the communities surrounding the mine.

Our relationships with our community members are of utmost importance and we have adopted a more attentive approach – one that first seeks to listen and learn, so as to build meaningful, lasting relationships.

We have not always gotten this right, and have faced significant challenges as a result, however, we are working hard to strengthen our community relations, building trust, and becoming more responsive to the needs of our host communities.

As is the case in Madagascar, climatic extremes are likely to continue in South Africa and as a business, RBM will continue working with partners to explore ways to ensure the necessary disaster preparedness of our wider communities.

In the days immediately following the floods, RBM set aside funds to support the Provincial government of KZN and third sector partners with disaster response and relief, together, assisting those affected by this tragic event.

We know that in such situations, basic necessities are often lifesaving essentials and in 2021, in partnership with local authorities and community stakeholders in Fort Dauphin, QMM developed a regional development programme for our three host communities.

This programme aims to provide at least 85% of the households in these communities with clean potable water - up from 45% today.

As a business in both South Africa and Madagascar, two countries that have felt the effects of climate change, through partnerships, we continue to explore ways to increase the scale and impact of our contribution, as we work to strengthen the resilience of our host communities.

Of course, more can always be done, but as we strive for continued improvements, it is equally important to take stock of the positive milestones and recognize the hard work taken to achieving them.

All these strides and others across the Group are only possible because of our people, particularly those at our mine sites.

At Rio, we often say that our people are our most important asset, and this is something I truly believe.

And from all my time in the business, I know that for people to feel valued, they must first feel safe, feel seen and feel supported – these are fundamental.

This brings me to an area of change that I think needs much more work – workplace cultures.

This is an area where all too often, change has been slow.

And for far too many, "slow" has meant unsafe.

For far too long, those who have felt unsafe, have gone unseen and unsupported.

In March last year, Rio Tinto commissioned an external review of its workplace culture. The review which took eight months and saw almost a quarter of our people from across the world share their experiences, revealed some extremely disturbing findings of bullying, sexual harassment, racism, and other forms of discrimination.

It is clear from this report that bullying, and sexism are systemic across our worksites and racism is common, particularly for people who are working in a different country than their birth country.

Almost a third of the women in our organization have experienced some form of sexual harassment and many in minority communities continue to suffer various forms of abuse.

These findings are deeply disturbing to me and should be, to anyone who reads them.

It shouldn't need to be said that bullying and discrimination of any kind are unacceptable anywhere, let alone in the workplace. Sadly, and clearly, this does need to be said.

And I want to use this opportunity to do so – discrimination of any kind, be it race, gender or sexual orientation, is simply unacceptable and will not be tolerated at Rio Tinto.

I'm sure many who saw the headlines wondered why we would make such findings public. Well, as I mentioned earlier, we are determined to demonstrate our values.

In demonstrating care to our people, we leaned towards transparency and took the decision to publish the full report.

I know some view this act as one of courage – I don't know if I agree.

To me, courage was shown by over 10,000 of our people in sharing their experiences, many of them very painful.

At a Group level, we have committed to implementing all 26 recommendations to prevent unacceptable behaviors in our workplace.

These recommendations fall into three broad categories; firstly, leadership and behavioral change; secondly, facilities safety and risk; and thirdly, a caring, people centric response.

We are seeing all of these being rolled out at RBM.

And our team there has established a Leadership and Culture Steering Committee which will drive positive change, with a focus on ensuring that diversity in people and culture, as well as our values and behaviors, are embedded at all levels of the business.

The steering committee will also undertake a full on-site facilities review, to ensure that our people feel safe, appropriately accommodated, and that their personal integrity is prioritized.

We know that, sadly, the scourge of gender-based violence means that women in our industry are disproportionately victims of abuse.

We also know that racism and racial discrimination are unfortunate, ever-present realities in many countries.

Because of this, we are empowering our local teams to explore initiatives and approaches that resonate with them and best provide context-appropriate safe spaces to confront these issues.

There is no quick fix to any of this.

In Rio Tinto, it has required each of us to take an honest, hard look at ourselves, as leaders and as individuals.

In each of our locations, we have found that we are a microcosm of those societies and therefore, we must play our part in eradicating these behaviors.

I know that, here in South Africa, work is being done at the Minerals Council to effect change across the industry, and globally, the ICMM is leading on the same.

Later this week, I will join colleagues from the ICMM, and the Minerals Council to discuss our respective initiatives to eradicating these harmful behaviors and how, together, we can be a catalyst for change.

Just like with broader society and the climate risks we face, I hope, at the very least, bringing to light these uncomfortable truths offers us as an industry, our own moral challenge.

For us at Rio Tinto, I know that the journey has only just begun, and the work does not stop at the mine gate.

And for me, it is the type of work that I take home to my family, friends, and community, and challenge them and myself with confronting our biases.

Before I go, I would like to leave you with a quote from President Ramaphosa that speaks to where we, as an industry, find ourselves in our relationship with the planet and our people.

He said: *“There are moments ...when old certainties are unsettled, and new possibilities emerge. In these moments, there is both the prospect of great progress and the risk of reversal. Today, we are faced with such a moment.”*

Ladies and gentlemen, a lot has happened since I joined Rio Tinto and the mining industry.

Many moments have come and gone, and in one way or another, each moment has created its own need for change.

Today, we are faced with an urgent challenge – one that society demands a response to. Our relationship with the world around us.

I believe that while it remains fragile, we are seeing growing collective action towards decarbonising at scale, and I am optimistic of the untapped opportunities that further collaboration can bring.

I am confident that together with our partners, we as a business and an industry, can become a leader in the transition to a cleaner future.

There is the prospect of great progress.

As we rally behind this, it is important that we also admit where progress has been disappointing.

Where moments have come and yet progress has not matched the need for change.

The issues faced by our people are not new, but now is the time to fix things.

I know that at Rio Tinto, there is growing collective action towards doing so.

And, just as society demands us to collaborate for our planet, we know that collaborating for our people is crucial too.

Thank you

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