Thank you, Simon.

First, I would like to acknowledge and pay my respects to all Traditional Owners and First Nations people that host our operations around the world.

2021 was a defining year.

When I became Chief Executive, it was clear that we needed a reset. We needed a clearer sense of purpose – putting respect for people, communities and land at the heart of our contribution. And we needed to listen.

We produce materials that are vital for the energy transition and ongoing urbanisation. But that’s not enough. Indeed, it’s the way we produce these essential materials that will make the difference – to our customers, to host communities and governments, and to you, our shareholders. We must align our business priorities with society’s expectations and ensure all our stakeholders benefit from our success.

We have a lot of work to do – but I believe we are on the right path.

We implemented the biggest management change in our corporate history and identified four objectives essential to our success: being the best operator, achieving impeccable ESG credentials, excelling in development, and strengthening our social licence.

We launched our new strategy, including ambitious climate targets, setting a new direction for us to contribute to, and thrive in, a decarbonising world.

And we set new, simple values for the company that connect us all as human beings – care, courage and curiosity.

Crisis in Ukraine

I would like to take a moment to talk about the humanitarian crisis in Ukraine, which has caused enormous suffering to innocent people. I join the world in condemning the violence and hoping for a peaceful and rapid end to this conflict.

We have no operational assets or employees located in Russia or Ukraine; however, we are taking action in a few areas. Firstly, we are in the process of terminating all commercial relationships we have with Russian businesses.

And to support humanitarian efforts, we will donate US$5 million to agencies helping people caught up in the conflict or fleeing from it. We have also put in place a scheme to match donations made by our people globally.
Safety

In 2021, we maintained our commitment to safety first.

The ongoing pandemic has touched all of us in some way, affecting both our physical and our mental wellbeing. Sadly, we have lost colleagues around the world to this virus. Many of us also lost family and friends, saw people close to us battling COVID-19, or experienced it ourselves.

I’d like to take this opportunity to sincerely thank our people for their commitment, resilience and sacrifice during another COVID-constrained year. They have done a superb job; I am very proud.

We have continued to prioritise controls, supporting government vaccination campaigns, setting up vaccination clinics near our operations, and working tirelessly to help our colleagues and communities with vital supplies and safety protection.

Despite the ongoing pandemic still impacting our people at work and at home, we delivered a strong safety performance with zero fatalities for the third consecutive year. While this is great news, we recognise that being able to go home to one’s family at the end of a shift should be a given, not an achievement. This remains our first priority each and every day.

In 2021, we asked the former Australian Sex Discrimination Commissioner Liz Broderick to conduct an independent study to understand the experiences of our workforce and make recommendations on how we can prevent and respond to harmful behaviours. The findings are deeply disturbing to me and should be to everyone who reads the report with many of our employees experiencing bullying, racism and sexism. I offer my heartfelt apology to every team member, past and present, who has suffered because of these behaviours. This is not the kind of company we want to be.

The report also contained 26 detailed recommendations. We will implement them all and have already upgraded some site facilities and launched our new confidential reporting programme, MyVoice. I am determined that by taking action, and with the executive team’s commitment to a safe, respectful and inclusive company in all areas, we will make positive and lasting change and make Rio Tinto a less hierarchical, more humane place to work.

Financial performance

Our financial performance in 2021 was very strong and demonstrated both the quality of our assets and the strength of our business model. The recovery of the global economy, driven by industrial production and high demand for our products, resulted in significant price strength for our major commodities.

As Simon noted, we achieved record financial results in 2021, with EBITDA of $38 billion and net earnings of $21 billion. Each of our four product groups was highly profitable, achieved significant EBITDA growth and double digit return on capital employed.

Our iron ore business continues to be the primary contributor, but we also benefited from an increased contribution from the other three product groups. Not least Aluminium, which recorded 20% Return on Capital Employed in the second half of 2021, up from just 3% during 2020.
A highlight for me comes when you compare the results for 2021 with our performance during a similar period of strong demand and high commodity prices a decade ago. Last year, we converted a far higher proportion of strong commodity prices into earnings. And subsequently, because of our strict capital allocation, we converted the earnings into far higher free cash flow of $17.7 billion. This enabled us to declare record dividends of $16.8 billion, a 79 per cent pay-out ratio.

In 2021, we made progress against each of our objectives – but we know we have a lot ahead of us.

**Best operator**

One of our key objectives is restoring our reputation as the best operator in the business. We launched the Rio Tinto Safe Production System, which will empower our people to achieve consistent operational performance and unlock real and sustainable improvements at each of our assets. We have deployed it at five sites, and we will be rolling it out at many more, with up to 30 deployments at 15 sites over the coming months.

**ESG credentials**

Our second objective is to have impeccable ESG credentials.

We provide materials to help the world progress. We have a responsibility to produce these materials in the right way.

Society is demanding a greater commitment on climate change.

In October last year, we outlined our new strategy which included ambitious climate targets. The first step is to address our own footprint and we have brought forward our 15% reduction target for our Scope 1 and 2 emissions from 2030 to 2025, and we more than tripled the target for 2030, seeking to reduce our carbon footprint by 50%.

Rio Tinto is among the biggest electricity users in the Western world and we also have significant land holdings. This provides a great opportunity, but also comes with responsibility. But if we do it well, we can make a real difference.

Our new climate targets are underpinned by an intention to invest $7.5 billion. We will be disciplined, and these investments will, in aggregate, be value accretive at modest carbon prices. They will also safeguard the long-term cash flows of our assets and help us maintain an attractive cost of capital.

We are mobilising the organisation, unleashing the skills and creativity of our many engineers to identify opportunities to decarbonise our assets and invest in renewable power.

Construction of our first 34MW solar plant at the Gudai-Darri mine and 45MW battery system at Tom Price continued in 2021 and mark an important step in reducing our carbon footprint in the Pilbara.

The solar plant will deliver approximately one third of Gudai-Darri’s average electricity demand and is a first step in a broader programme to leverage the Pilbara’s natural advantages in solar and wind resources and deploy renewable power at scale.

We recognise that processing our products also generates material indirect Scope 3 emissions. With various partners, we are working on a number of potential technologies to decarbonise our value chains, including with BlueScope and POSCO, to explore low-carbon steelmaking pathways. And we have committed to increasing our R&D spend to speed up the development of technologies to enable our customers to decarbonise.
In aluminium, our ELYSIS joint venture with Alcoa, supported by Apple and the governments of Canada and Quebec, produced aluminium with zero direct carbon emissions at a fairly large scale. We are now scaling up to full commercial size cells in 2023 and commercialisation of this ground-breaking technology remains on track from 2024.

**Excel in development**

The third objective is to excel in development. All the materials we produce today are fundamental for the energy transition and beyond. Including iron ore.

We are well placed to grow in order to meet the increased demand and in the past year have made meaningful progress on creating a pipeline of options that will create value for our shareholders in the years to come.

Our ambition is to increase our investment in growth capital up to $3 billion annually by 2023 to 2024, and to prioritise commodities that are essential for the drive to net zero.

And we have demonstrated our willingness to grow via acquisitions. The Rincon lithium project in Argentina brings growth in a commodity essential to the energy transition, while at Oyu Tolgoi our proposal to acquire full ownership of Turquoise Hill will simplify the ownership structure and provide additional exposure to copper. We believe the terms of proposal are compelling for Turquoise Hill shareholders and Rio Tinto will remain disciplined in pursuing this opportunity.

Without a doubt the most significant development in terms of growth was resetting the relationship with the Government of Mongolia and Turquoise Hill. One of the highlights of my career was to stand side-by-side with the Prime Minister of Mongolia as we commenced underground mining. It was the culmination of years of hard work and dedication to develop such a complex greenfield project.

We continue to look for new options and innovative ways of developing projects faster, but we will only do this in line with our ESG standards, while maintaining our absolute commitment to capital discipline.

An example of this approach in action is Simandou. This project will deliver the high-grade iron ore essential to decarbonising the world’s steel industry.

The Board yesterday gave its in-principle approval to the path forward for the project. The Framework Agreement recently signed with the Government of Guinea and our Chinese joint venture partners sets out co-development of the port and rail infrastructure, which will occur in line with international ESG and compliance standards. We look forward to working together to develop this nation-transforming project and I am personally committed to ensuring that the people of Guinea benefit from Simandou along with our shareholders and customers.

In 2021, we committed $2.4 billion to the Jadar lithium-borates project, one of the world’s largest greenfield lithium projects. In January 2022, the Government of Serbia cancelled the Spatial Plan for the project and required all related permits to be revoked. We remain committed to exploring all options and are reviewing the implications for our activities and our people in Serbia. We acknowledge the concerns from local communities and are committed to meaningful engagement to explore ways to address these.

**Social licence**

The fourth objective is to strengthen our social licence.
We are focused on listening and resetting relationships. This takes time, but we are moving forward on a model which is respectful and looks to provide certainty of protection for cultural heritage and mining.

**Conclusion**

We have a clear direction and strategy for the company to grow and decarbonise. We are rebuilding relationships and evolving our culture, supported by simple, human values.

I am proud of the progress we made in 2021.

But most of all I am proud of the talented, energetic and committed people across Rio Tinto, like those you saw in the video earlier, who are working hard to make our company even better.

It is through working together and listening to the perspectives of all stakeholders, including our customers, host communities and you, our shareholders, that we will achieve our objectives.

Our business is strong, and we are all committed to making Rio Tinto even stronger.

Thank you.
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