

**** Check against delivery ****

I would like to start by acknowledging the traditional custodians of the lands on which we meet today, the Bunurong Boon Wurrung and Wurundjeri Woi Wurrung peoples of the Eastern Kulin Nation.

I extend that respect to all Traditional Owners on whose land on which we live, work and operate. I also pay my respects to their Elders, past and present, and to other Indigenous Australians who are joining us today. I also acknowledge the rich and enduring cultural heritage of Aboriginal people who have traditional ownership and custodial responsibilities; I acknowledge their continuing deep connection to the land and waters.

Since commencing in my role as Chief Executive Australia in March last year, I have had the privilege to meet with many Indigenous leaders and communities across Australia. With each interaction, I continue to learn, grow and understand, and I remain humbled by their generosity of spirit and willingness to share with us.

Gavan has already called out some of the VIPS in attendance today, including Chairman Richard Morrow and Patrons Hugh Morgan and Leigh Clifford.

I too would also like to recognise the contribution to the success of Australia's resources sector that all of these leaders have made.

Everyone in this room would be quick to acknowledge that the strength, scale and success of the mining sector in Australia today reflects the foresight and courage shown by generations past.

In my two decades with Rio Tinto, I have long understood that our industry stands on the shoulders of giants.

At Rio Tinto, no figure looms larger than former CEO Leigh Clifford.

When it comes to Australia's business community, or across Rio, if you mention the name 'Leigh' everyone knows who you are talking about.

These days it is Leigh Clifford AC, after his elevation to the Companion of the Order of Australia in the recent Queen's Birthday Honours List. It's appropriate that we acknowledge that honour today amongst friends. Congratulations Leigh.

Leigh started his 37 years at Rio working as an assistant surveyor and went on to become the CEO from 2000 to 2007.

Leigh was running Rio Tinto when I joined the company in 2001 so for me, he is deeply linked to my company's contemporary history.

He played an integral role in accelerating China's role as a customer of Australian commodities and, just as importantly, left his mark through his leadership trademarks of innovation and reform – whether it be workplace practices, technology or the Australian economy.

I know I'm entering dangerous territory singling out one of Melbourne's favourite adopted sons (particularly with his home ground advantage in this room) but when I heard Leigh was attending today, I thought I'd take a sneak peek at one of his old Melbourne Mining Club speeches.

Whether it was for inspiration – or just plain old curiosity – I'm not sure, it was probably a mix of both.

And there he was – 20 years ago this month at the Melbourne Town Hall – talking up some themes familiar to everyone in the room.

The paramount importance of safety; the need for the sector to continually improve productivity; and, before the boom, expounding on the potential for the sector of growing the market to China.

All topics that I'm sure he would go on to revisit in other forums countless times during his tenure as CEO.

Leigh even went on to reference the advantages of renewable power and touched on the challenges mining companies face in engaging with local communities.

Now we all know mining is a long-term industry. But two decades later, these issues are still being discussed at the Rio Tinto board table, arguably with more significance than ever.

So, 20 years on, in my address today I'd like to share my thoughts on how Rio Tinto views community engagement amid a company-wide cultural reset and the role of renewables in the energy transition.

Firstly, community engagement.

Leigh made the point that “communities have a voice, and they want to be heard”.

For companies across Australia, effective community engagement is more relevant today than ever before.

Societal expectations – for corporations, governments and community organisations are higher than ever – and there are increasingly accessible avenues to ensure these views are clearly articulated and shared widely.

For the mining sector in 2022, we are juggling the fallout from the challenges of global geopolitical uncertainty and rapidly changing societal expectations.

And I can almost hear Leigh muttering across the table: “so what’s new? I was talking about this 20 years ago!”

There’s an argument, however, that the pace of change is now faster than ever.

Rio Tinto understands this dynamic acutely.

Since my appointment as Chief Executive, Australia, 18 months ago, I have spent a lot of time engaging with our stakeholders right across Australia as part of a reset of the business under our CEO, Jakob Stausholm.

This has involved a lot of listening.

I needed to hear first-hand what our stakeholders were thinking.

Traditional Owners, employees, Rio Tinto alumni, governments, investors, partners, suppliers, civil society and many others. Not just our supporters, but some of our most vocal critics.

While many of my conversations have been confronting, they have been invaluable in replotting our engagement in Australia.

Encouragingly, my takeaway was that, overwhelmingly, the common thread across my stakeholder conversations was a desire for Rio Tinto to thrive and to succeed in repositioning the business for sustainable success.

Everyone understands why a strong and sustainable resources sector is good for Australia. Everyone also understands why it's important for Rio Tinto to get the reset right.

While Rio Tinto has made some significant progress, I am the first to acknowledge we have a long way to go.

We recognise there were some serious underlying issues well before the terrible events at Juukan Gorge in 2020.

Much of this related to culture. It is widely acknowledged that culture is the foundation for performance and crucial to effectively executing strategy.

We now recognise we had placed too much emphasis on business performance.

We had focused too much on our short-term needs and transactional dealings, and neglected the connections and rapports that we spent so long building over the previous generation.

We did not focus enough on relationships with our people, our partners and with the communities where we operate.

Jakob and my colleagues on Rio Tinto's Executive Committee have been working with our senior leaders to reflect carefully on what sort of business we want to build for the long term.

The first building block was creating a clear sense of purpose. A purpose for our 45,000 employees that involves putting respect for people, communities and land at the heart of our contribution.

We're now very clear on where we're headed and what we need to do.

We have set new values for our people – care, courage and curiosity - and are embedding these across the business.

A key to improving our culture is an understanding that partnerships are built on trust.

It's not rocket science, but it requires a lot of effort. Without the continual nurturing of trust, things can go wrong very quickly.

And crucially, they can't be fixed overnight.

That's why we have focused on rebuilding that trust by changing the way we do business and improving our culture.

I have worked within Rio for two decades – across our assets in the Pilbara, in Iron Ore headquarters in Perth, running the Operations Centre for our Australian Iron Ore business, and leading our Australian and New Zealand aluminium assets from Queensland.

With that background, when I took on the job of Chief Executive Australia, I had pretty firm views about what was needed to restore our culture.

And I was confident I knew how to tackle the issue and help restore trust.

While Rio Tinto is a storied global mining corporation operating in 35 countries across the world – and next year will mark 150 years since the company was borne out of an ancient copper mine in Spain –Australian DNA runs strong through the business.

In the same way Australia's rich mining heritage is acknowledged internationally, Rio Tinto retains a strong Australian pedigree throughout its global operations.

I knew the importance of getting it right in Australia. Not just for here in Australia or even for the global business but for our many stakeholders across the country and the world.

Jakob and the Board have given us a mandate to do what it takes to get it right.

To meet the changed expectations of our communities, we have to be bolder and braver than before, not just in the way that we mine, but ensuring we meet the expectations of communities as long-term stewards of the land on which we operate, and leave a positive legacy for future generations once mining on that land ends.

One of the most effective tools to build trust and strengthen culture is to enhance transparency.

Not only does it help with stakeholder relationships, it has been crucial in building engagement with our people.

Here's a contemporary example. Everyone in this audience understands the importance our industry places on health and safety in the workplace.

We all know the long-established mantra, and we all live it. Safety is our number one priority.

We are focused on creating safer, more respectful and inclusive workplaces for our people.

This is intertwined with the work we are doing to improve culture.

We firmly believe an important part of becoming a better company is acknowledging that we have a responsibility for ensuring the wellbeing of our people, beyond the traditional areas of operational health and safety. As well as physical safety, psychological safety and emotional safety are fundamental to our thinking on the question of safety.

It's why in 2021 we launched an important program called *Everyday Respect* to improve how we identify and respond to unacceptable behaviour in the workplace.

We could see the importance of enforcing cultural change as part of our broader reset to help engender trust with our people and the broader community.

As part of the program, we called in Elizabeth Broderick, the former Australian Sex Discrimination Commissioner, to advise a dedicated internal Everyday Respect taskforce established to lead on this work.

We collated the views of more than 10,000 employees and contractors worldwide who participated in listening sessions and surveys.

The findings and detailed accounts of often raw personal experiences made confronting reading. But we chose to share them openly with our people and stakeholders.

Some observers may have considered the decision to highlight such a sensitive issue to be “brave” in the manner of Sir Humphrey and Yes Minister. But it sent an immediate and unmistakable message to our people that we were treating the matter seriously.

Importantly, it has encouraged our people to speak up about poor conduct on our sites or in our offices, with the number of reports up by 95 per cent. We view this as progress and a sign of confidence in the systems we have in place to deal with these matters.

Importantly, of those reporting issues, those wishing to remain anonymous has decreased by 40 per cent.

Our people understand we are treating these matters seriously and any concerns will be managed objectively, with care and consultation throughout.

I firmly believe the process of publicly airing these matters has built trust and accelerated the momentum for change within the business on this important issue.

Having established and acknowledged the extent of the problem, we are now implementing the recommendations set out in the report.

Another area where we are making significant changes to the way we work in Australia relates to our relationship with Traditional Owners.

Many people in the room will remember back to 1995, when Leon Davis, as head of Rio Tinto's predecessor, CRA, laid out the principles that would underpin the company's relationship with Traditional Owners.

In an address delivered just up the hill on Collins Street, he recognised native title and talked about our operations being developed "*in active partnership with Aboriginal people.*"

At the time it was an industry-first.

Now, in an approach seamlessly aligned with the vision laid out three decades ago by Leon on behalf of the company, we are working together with Traditional Owners to move to a co-management of Country model.

This will enhance protection of heritage and provide better outcomes for both First Nations Peoples and our business.

As with all our stakeholders, relationships are central to this partnership, and we are working hard to rebuild them.

We know that this process will take time and it cannot, and will not, be rushed.

And we are hopeful it will lead to a seismic change in the way we work together.

As part of this relationship building, we are fostering a truth-telling process across our operations, giving our large workforce greater insight, perspective and understanding of key Indigenous issues, the importance of reconciliation and for Indigenous Australians to have the voice they deserve.

In terms of moving forward together as a reconciled nation, Rio Tinto has long supported constitutional recognition for Indigenous Australians, having backed the 'Recognise' campaign, through to the Uluru Statement from the Heart, to where we stand today, with the growing momentum behind an Indigenous Voice to Parliament.

I was there at the Garma Festival in north-east Arnhem Land last week when Prime Minister Anthony Albanese stood before Indigenous leaders and declared a referendum to include recognition in the Constitution would be held before the next election.

We welcome the commitment and will be actively engaging with our employees to promote understanding and support for the issue.

The final theme I want to pick up where Leigh left off is one of the agenda items being discussed in the board rooms (or is that virtual board rooms) of every company in Australia today: The energy dilemma and specifically the issue of decarbonisation.

Even though Australia is one of the world's biggest energy producers, we are navigating a global energy affordability crisis that impacts both businesses and households across the nation.

The search for sustainable energy strategies is not a new phenomenon. And it's no surprise it's been a recurring Melbourne Mining Club topic for decades.

As Australia's largest energy user, it's been a top strategic issue for Rio Tinto for some time, particularly around the costs of more sustainable energy options.

Recent global events have made the issue more acute and the push for solutions has become increasingly desperate.

Surging power prices in recent months have highlighted the squeeze on the national energy grid and increased the focus of policymakers wary of the impact on households and businesses facing cost-of-living pressures.

To date, the new Albanese Government has shown all the signs of being prepared to methodically and capably work through the challenges in a strategic manner.

They recognise there is a very real issue now with the predicament facing global energy supplies in the immediate term.

And importantly the Government also understands that it needs to look at the bigger picture, and develop an enduring energy strategy that deals with a longer timeframe.

While this is a global problem, having heard first-hand from the Prime Minister shortly after the election when he visited one of our Queensland alumina refineries, I know the Government understands the gravity of the issue.

And he understands the corporate community isn't sitting on its hands waiting for direction. The Government gets that business

has long committed to the decarbonisation path because it's the best way to manage risk.

Additionally, from the perspective of the global investment community, there is a real sense of optimism about the potential for greater certainty and consistency in the energy policy framework in Australia with the Government's commitment to a 43 per cent cut in emissions by 2030.

This was clear from the Sydney Energy Forum held a few weeks ago, bringing global business leaders to Australia, piggybacking on the meeting of the Quad Energy Ministers, which brought together the energy policymakers from Japan, India and the US with their Australian counterparts.

While this has landed on the desk of the Prime Minister and Energy Minister, it's such a fundamental issue to the Australian economy that it will require cooperation across the Government and with all states and territories, and strong engagement with industry and its representative bodies.

Not just the energy suppliers but energy users and other stakeholders as well.

Although the short-term volatility remains, at Rio Tinto we can see the opportunities presented from the energy transition.

As we look ahead, the thing to remember is that the minerals and metals we produce are essential for a carbon-neutral world.

Some would say ironically, the demand for some minerals and metals will actually grow because of the decarbonisation drive.

There is opportunity in how we drive technology to become more energy efficient and more innovative, how we find and develop new mineral deposits and how we get minerals in less intensive ways than mining – such as exploring the idea of extracting lithium from tailings, a process being considered at our Borates business in the US.

Promisingly, the Prime Minister has also made it clear that the new government will be focused on strengthening Australia's manufacturing industry.

The aluminium sector is a key element of manufacturing.

It is already hugely exposed to electricity prices, and electricity remains its single biggest determinant of global competitiveness.

Attracting investment to continue the growth of the resources sector in Australia will depend on our ability to provide internationally competitive low-carbon energy.

Global energy grids are evolving and on the lookout for options to incorporate low-cost energy supplies to support low-carbon, competitive industry.

It's clear this will require sustained collaboration between the energy grid, governments and industry to unlock what everyone agrees are the renewable energy advantages that Australia boasts compared to international competitors.

What is apparent about the much-needed future solutions such as green steel and hydrogen, is the equally high exposure to electricity prices those industries face in trying to remain competitive.

This illustrates why any national electricity solution must not only go low-carbon but also retain competitiveness.

Investment by industry requires firm, green, competitive electricity prices.

Given the potential opportunity for Australia, we remain confident policymakers will establish the framework to provide greater certainty for investment.

Having said that, we know there is no time to waste in securing a pathway to decarbonisation and that's why Rio Tinto reshaped its strategy last year to accelerate its take-up of renewable energy.

We appreciate that we have an immense workload ahead of us to meet our target of halving our emissions by 2030.

More immediately, we have targeted a 15 per cent reduction by 2025 and over the longer term, net zero by 2050.

We aren't just talking trials or pilot projects, there is a real sense of urgency. We expect to make \$7.5 billion, US, of capital investment by 2030 to meet our targets.

Undeniably, Australia is well endowed with an underlying renewable energy resource and blessed to have a natural environment that boasts the rare combination of wind and solar, coupled with land availability.

With year-round sun and strong winds at night, the Pilbara offers one of the best opportunities in the world to harness solar and wind power for energy generation at our assets.

We are working with our partners in Western Australia to establish an integrated network of solar and wind power sources.

on the other side of the country in Queensland, we are seeking proposals from developers of large-scale wind and solar projects to power our aluminium assets.

The idea is that the projects will, in parallel with firming solutions, start supplying power to our smelter and refineries in Gladstone through the Queensland grid by 2030.

As in WA, we aren't looking to pull together a few experimental projects to fly a kite. This is a serious strategic play.

We have called for proposals for at least four gigawatts of large-scale solar and wind capacity in Queensland.

To give an idea of the scale of this push, we are looking at driving the development of more than one third of the current wind and large-scale solar capacity currently in Australia.

To help us achieve our decarbonisation goals for our Iron Ore business, we are developing one gigawatt of solar and wind power at our Pilbara operations – that's seven times bigger than WA's largest solar farm.

With the support of large-scale battery storage, it will provide reliable and secure energy to the Pilbara, largely replacing gas generation and setting us up for the first phase of decarbonising our fleet of diesel vehicles.

Despite the latent potential for wind and solar in Australia, there are no guarantees. Success will be dependent on attracting green industry to the grid to create jobs and economic prosperity.

Firstly, capital intensity matters. Renewables are capital intensive, with minimal ongoing operating costs.

All of us understand that Australia remains an expensive location to build, so it won't be easy. Regional Australia, particularly the Pilbara and north Queensland, is remote, posing additional labour and cost challenges.

And we need to consider where best to locate any new infrastructure to mitigate impacts on the local environment and community.

We're working with local communities, including Traditional Owners, partners and suppliers to develop innovative and fit-for-purpose solutions.

Secondly, renewables are intermittent, and industry requires largely firm energy.

A coordinated grid solution in Queensland will be critical and requires the collaboration of suppliers, users, regulators, transmission providers and policymakers. Technology will also play an important role.

If we are successful, Rio Tinto will remain Australia's largest industrial consumer of electricity and we will become, by far, the nation's biggest industrial user of renewable wind and solar.

As an update on the Queensland request for proposals – we have received proposals for a lot more than the 4GW we asked for originally.

One thing we are yet to determine is the role Rio Tinto will play in the generation and/or supply of renewable energy. We are looking at that now, as we analyse the scores of proposals that have been put forward to us, initiatives that involve Rio Tinto at all stages of the supply chain, from owner, operator, partner, provider, investor and customer in these projects. Watch this space.

Innovative approaches are on the table across the industry about how best to harness renewable energy options.

The sector must work together with governments, investors, partners and communities to shape the best outcome.

Imminently, one area where Rio Tinto hopes to work closely with the Federal Government is the Jobs and Skills summit scheduled in a few weeks and the associated Employment White Paper.

Harking back to John Ralph in his CRA leadership tenure working with the governments of the day from both sides of the political aisle on issues of national importance. Our company will always put up its hand to work with governments to drive better outcomes for Australia.

At the upcoming Summit, quite rightly, much attention will be placed on the current squeeze on skilled labour. With record low unemployment, coupled with the visa backlog and diminished interest in Australia from skilled migrants, the resources sector is facing challenges accessing talent. Added to that, we are currently experiencing elevated levels of unplanned absences at our operations due to spikes in COVID-19 cases.

Rio Tinto is not alone in recognising these issues could slow future investment, growth and development of new sites.

We are hoping the Summit will look at practical measures, including improving visa processing times to pre-COVID levels, consolidation of skilled occupation lists, more responsive labour market testing and better recognition of emerging occupations.

Pleasingly, the Prime Minister and Treasurer want the Summit to also focus on maximising jobs and opportunities in renewable energy. With a large Indigenous workforce, we can also see the benefits if the Summit explores initiatives to expand employment opportunities for Indigenous Australians.

As with the broader corporate community, and the mining industry in particular, we look forward to hearing more about the format of the Summit in coming days.

If we get this collaboration right, there is a prosperous energy future for Australia, that can not only decarbonise and modernise today's grid but attract the industries of tomorrow to be right here in Australia.

And although the short term remains as unpredictable and uncertain as ever, at Rio Tinto we actually remain quite comfortable about the longer term.

Back in 2002, Leigh concluded his remarks encouraging the audience to believe Rio Tinto was "well placed to capitalise on the emerging opportunities."

Two decades on, that's the message I want to leave you with today.

We are very clear on the business we want to build for the long term. While we have significant work ahead of us, we know where we're headed and we know what we need to do.

And we understand the opportunities that await if we continue to act bravely and decisively.

Thank you Gavan. I'm now happy to hand over to questions.