Rio Tinto

Taxes and Royalties Paid Report 2022

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Our operations are located on land and waters that have belonged to Indigenous peoples for thousands of years. We respect their ongoing deep connection and vast knowledge of the land, water and environment. We pay respects to Elders, both past and present, and acknowledge the important role Indigenous peoples play within our business and the communities where we live and work.

For more information
about Rio Tinto, see our full reporting suite at www.riotinto.com

Cover | Karratha Rail. The Pilbara, Western Australia.

2022 highlights

Total taxes and royalties paid globally in 2022

$10.8bn
(2021: $13.3bn)

Australia
$8.5bn
(2021: $11.1bn)

Canada
$718m
(2021: $855m)

Mongolia
$294m
(2021: $544m)

Chile
$678m
(2021: $562m)

United States
$135m
(2021: $81m)

Kennecott copper mine, US.

Foreword from our Chief Financial Officer

Our purpose is to find better ways to provide the materials the world needs. It is important to us that we fulfil our purpose responsibly and transparently, while contributing to the host countries and communities where we live and work.

For 150 years, we have been entrusted with accessing the world's essential materials and making them available for society's use. These resources are finite, and as temporary custodians of the land where we operate, we have a responsibility to extract value from the minerals and materials we produce in the safest and most sustainable way possible. This includes providing people and communities with economic opportunities; safeguarding and promoting the health, wellbeing and human rights of people and communities; combatting climate change; and being excellent stewards of the natural resources entrusted to us.

Taxes and royalty payments

Transparency encourages accountability – ours as well as others' – and we want to continue to play a leading role in this area. Being open and transparent about our taxes and royalty payments, mineral development contracts, beneficial ownership and our stance on a range of other sustainability issues allows us to enter into honest, fact-based conversations with our stakeholders.

In 2022 we paid $10.8 billion of taxes and royalties globally (2021: $13.3 billion). In Australia, we are one of the largest taxpayers and paid $8.5 billion (A$12.3 billion) in taxes and royalties in 2022. This is lower than the $11.1 billion (A$14.8 billion) paid the previous year, largely due to lower commodity prices. Over the past ten years, we have paid $74.9 billion in taxes and royalties globally, of which 78.5%, or $58.8 billion (A$77.6 billion), was paid in Australia.

We continue to strive to find better ways to work with and improve our relationships with stakeholders, including tax authorities. In 2022, we reached agreement with the Australian Taxation Office and the Singapore Tax Authority on various tax matters previously in dispute. For more information, see page 25.

As a principle, we believe in the importance of stable and effective tax systems that support long-term capital investment and ensure companies make an appropriate contribution. We are proud of the contribution we make in our host countries through taxation and royalties, and we fully support the work being undertaken by the Organisation for Economic Co-operation and Development (OECD) to protect the taxing rights of host governments in respect of extractive activities.

We also believe it is important to have a consistent standard against which companies can report their tax contributions. We report in full the requirements of the Tax Standard (GRI 207) of the Global Sustainability Standards Board of the Global Reporting Initiative (GRI), which includes full country-by-country reporting. This report, together with our *Country-by-Country Report*, meets the comprehensive requirements of GRI 207. Through these reports, alongside our *2022 Annual Report* and *2022 Climate Change Report*, our stakeholders are able to understand and evaluate the positive impact our company strives to have.

We welcome your feedback.

Peter Cunningham
Chief Financial Officer
April 2023

Our taxes and social investment

We must ensure all of our stakeholders benefit from the success of our business. To do this, it is essential that we care for our employees, respect and safeguard the environment and communities when we explore, build and operate, and repurpose or rehabilitate the land when our operations come to an end.

We want to leave a lasting, positive legacy everywhere we work. The taxes we pay to governments is one way in which we do this, as they play a critical role in the economic health and development of the regions where we operate. The taxes governments and communities receive support the basic infrastructure of society – bridges and roads, schools and hospitals – as well as other local development priorities, including job creation and skills training. Australia is home to our largest operational footprint, and in 2022, we were one of Australia's largest taxpayers.

Catalysing economic opportunities for our host communities and regions is also a priority for us, and through our voluntary social investment, we strive to support initiatives that we believe can have a positive impact in the communities where we operate.

$10.8bn
Global taxes and royalties paid in 2022

$8.5bn
Australian taxes and royalties paid in 2022

$74.9bn
Global taxes and royalties paid in the last ten years

$58.8bn
Australian taxes and royalties paid in the last ten years

Group effective corporate income tax rate on underlying earnings in 2022	Australian effective corporate income tax rate on underlying earnings in 2022	Group effective income tax and royalty rate on underlying earnings in 2022	Australian effective income tax and royalty rate on underlying earnings in 2022
26.3%	31.7%	34.8%	41.2%

Group effective corporate income tax rate on underlying earnings

2018	28.6%
2019	30.2%
2020	29.5%
2021	28.0%
2022	26.3%
Average (2018–2022)	28.5%

Australian effective corporate income tax rate on underlying earnings

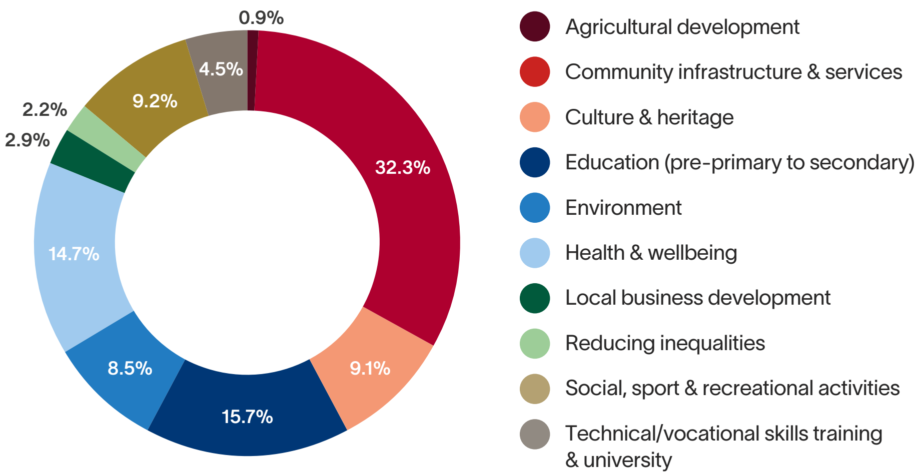
2018	30.7%
2019	31.1%
2020	31.7%
2021	30.1%
2022	31.7%
Average (2018–2022)	31.1%

Voluntary social investment since 2019 – $218.1m

2019	$36.4m
2020	$47.0m
2021	$72.1m
2022	$62.6m

2022 voluntary social investment contributions by category (% of annual total)

$62.6m
Voluntary social investment in 2022



For more information
about our social investment, see our *2022 Annual Report* at www.riotinto.com

Australia

For more than 23,000 of our employees, Australia is home. In 2022, we were one of Australia's largest taxpayers, contributing $8.5 billion (A$12.3 billion) in taxes and royalties. Over the past ten years, we have paid $74.9 billion in taxes and royalties globally, of which 78.5%, or $58.8 billion (A$77.6 billion), was paid in Australia.

Almost half of our assets are in Australia. From Karratha, Western Australia to Bell Bay, Tasmania and Weipa, Queensland, we have iron ore, bauxite and salt operations, and aluminium smelters and alumina refineries across the country.

Finding better ways to reduce our carbon footprint

With climate change and the low-carbon transition at the heart of our strategy, we continue to invest in decarbonisation efforts across our assets in Australia. For example, we are progressing work towards one gigawatt of renewable power in the Pilbara as part of our global commitment to invest around $7.5 billion to halve our emissions by 2030. This will involve significant investment in transmission infrastructure to support full decarbonisation of the Pilbara, including electrification of mobile and rail equipment beyond 2030, which is estimated to require up to three gigawatts of installed renewable energy assets.

We signed a Statement of Cooperation with the Queensland Government in 2021 to work towards establishing more renewable energy in Central Queensland. A formal market request for proposals was undertaken in June 2022 to support the development of large-scale wind and solar power to supply power to the Boyne smelter by 2030.

Investing in local communities in Australia

In 2022, we increased our spend with Australian suppliers to more than A$15.3 billion as part of our ongoing commitment to support communities where we operate. This was an increase of almost 9% compared to 2021 and was spent with more than 6,200 businesses, including Australian-owned and operated businesses and locally-owned and managed branches of global companies.

We strive to employ local people, buy local products and engage local services. We increased our spend with local Australian businesses close to our operations to A$957 million in 2022, up A$186 million on the previous year. We are also working to improve our approach to Indigenous business development and engagement in Australia and around the world. In 2022, we increased our spend with Indigenous-owned suppliers, including Pilbara Aboriginal businesses, in Australia by 40% from 2021 to A$565 million.

In addition to the taxes and royalties we pay in Australia, in 2022 we also invested more than A$62 million in everything from local community programmes to bigger partnerships. Over the next ten years, we will also contribute A$250 million to the Western Australian Government's new Resources Community Investment Initiative. The initiative will support projects that advance long-term social and economic outcomes in areas such as education and training, health, Aboriginal wellbeing and energy decarbonisation.

For more information
about our engagement with Indigenous peoples in Australia, see our *2022 Communities and Social Performance Commitments Disclosure* and *2022 Annual Report* on our website.

Yinjaa-Barni Artist. Roebourne, Western Australia.

$8.5bn
Total taxes and royalties paid in Australia in 2022

$6.1bn
Corporate income tax paid in Australia in 2022

$2.1bn
Royalties paid in Australia in 2022

31.7%
Australian effective corporate income tax rate on underlying earnings in 2022

41.2%
Australian effective income tax and royalty rate on underlying earnings in 2022

$58.8bn
Total taxes and royalties paid in Australia in the last ten years

$13.4bn
Australian pre-tax underlying earnings in 2022

23,159
Employees

$0.8bn
Taxes collected on behalf of employees and remitted to Australian governments

Canada

We have more than 13,000 of our employees working across our sites and operations in Canada. We undertake exploration activities, and operate research and development centres, port and rail facilities, and technical and sales service centres, with hydroelectric facilities in British Columbia and Quebec.

Our Canadian high-quality alumina refinery and smelters in Saguenay–Lac-Saint-Jean, Quebec and Kitimat, British Columbia are powered entirely by renewable hydropower. Our Diavik Diamond Mine in Canada produces predominantly white, gem-quality diamonds. The site is home to an award-winning wind farm that has offset more than 43 million litres of diesel since its inception. And our titanium operations have been processing ore from northern Quebec for more than 70 years. We also produce scandium, a rare earth element and important critical mineral, from the waste streams of titanium dioxide production without the need for any additional mining. The Iron Ore Company of Canada (IOC) is a leading producer of high-grade low-impurity iron ore concentrate and pellets, enabling customers worldwide to operate more productively, reduce emissions and produce higher-quality steel for the modern world.

In 2022, we spent a total of C$4.3 billion in Canada, including C$1.2 billion with local suppliers. Of this, C$188 million was spent with 76 Indigenous suppliers.

Finding better ways to reduce our carbon footprint

In 2022, we partnered with the Government of Canada to invest $537 million (C$737 million) over the next eight years to reduce emissions by up to 70% at our Rio Tinto Iron and Titanium (RTIT) Quebec Operations. This work supports technological innovations, including BlueSmelting™, a new ilmenite smelting technology that allows us to reduce and eventually eliminate the use of coal in the process. It will also progress initiatives to diversify RTIT's product portfolio, reinforcing our leadership as a North American supplier of critical minerals for key growth sectors such as electric vehicles, 3D printing and aerospace.

Investing in local communities in Canada

We continue to focus on identifying and addressing some of the barriers for recruitment opportunities for Indigenous peoples in Canada, and particularly Innu First Nations candidates. We prioritised eastern Canada in 2022 and took a number of actions. We established employment and training committees in partnership with Indigenous job placement agencies and we revised our recruitment process, including hiring criteria, pre-employment checks and verification processes. These changes resulted in 31 new Indigenous hires.

We also collaborate with Indigenous groups in Canada to implement agreements. We have 11 active long-term impact benefits/participation agreements, and three potential agreements are in discussion. Our agreements include areas such as training and employment procurement, land and water management, joint environmental monitoring and community investment.

For more information
about our engagement with Indigenous peoples in Canada, see our *2022 Communities and Social Performance Commitments Disclosure* and *2022 Annual Report* on our website.

$718m
Total taxes and royalties paid in Canada in 2022

$420m
Corporate income tax paid in Canada in 2022

$2,034m
Canadian pre-tax underlying earnings in 2022

13,344
Employees

$489m
Taxes collected on behalf of employees and remitted to Canadian governments in 2022

Iron Ore Company of Canada operations. Labrador City, Canada.

Mongolia

The Oyu Tolgoi copper and gold mine in the South Gobi Desert of Mongolia is a project almost unrivalled in the industry in its complexity and scale. By 2030, Oyu Tolgoi is expected to be the world's fourth-largest copper mine. It is also one of the most modern, safe, sustainable and water-efficient operations globally, with a workforce who are more than 97% Mongolian.

In 2022, we acquired Turquoise Hill Resources Ltd. (TRQ) for $3.1 billion (before transaction costs), increasing our direct project ownership to 66% with the remaining 34% owned by the Government of Mongolia through Erdenes Oyu Tolgoi.

Since 2010, Oyu Tolgoi has spent a total of $15 billion[1] in-country, including $4 billion[1] in taxes, fees and other payments to Mongolian national and local governments. To date, it is the largest foreign investment made in Mongolia. Of the total spend, 75% has been with the purchase of goods and services from hundreds of Mongolian suppliers. Our South Gobi spend has grown from $0.5 million in 2010 to a cumulative total of over $1.1 billion in 2022. The value of the spend with national suppliers that are majority owned by Mongolian citizens now accounts for 75% of overall operational spend, which brings the accumulative total spend with national suppliers to $4.9 billion since 2010.

Finding better ways to reduce our carbon footprint

We are working on several initiatives to optimise and decarbonise energy consumption and introduce renewable solutions at Oyu Tolgoi. In the interim, we have initiated studies on the use of solar power to provide energy to camp areas and other buildings while exploring ways to implement large-scale renewable energy sources in the long term via wind measurement activities, feasibility studies and active engagements with local authorities and third parties.

Investing in local communities in Mongolia

We focus on long-term sustainable development in Mongolia, increasing transparency in our business processes and continuing to strengthen our social investment and local employment initiatives. In 2022, local employment at Oyu Tolgoi increased by 25% from January to September as a result of a comprehensive recruitment process and local talent development during that period. Since 2015, Oyu Tolgoi has made a yearly contribution of $5 million to a Development Support Fund (DSF) – administered jointly by Oyu Tolgoi and the community – for community programmes and projects in the Umnugovi aimag. In 2022, after reaching $38.9 million, the fund invested in constructing a community school, a kindergarten, and a healthcare centre, increasing accessibility to quality educational and healthcare services for community members and creating more than 480 permanent jobs. The DSF also funded the Gobi History and Nature Museum, which opened in May 2022. It has already benefitted tourism in the region by attracting more than 28,000 people, and it is playing an important role in protecting and promoting Mongolian cultural heritage. In partnership with local communities, we have also established the Oyu Tolgoi Catalyst Fund (OTCF) to contribute to the Khanbogd Soum Development Plan. We have committed $50 million over the next five years to further develop the Khanbogd town to transform it into a safe, family-orientated area to improve the quality of life for community members. We also engage with local communities through the Khanbogd Tripartite Council (TPC). In 2022, we focused on herder sustainable livelihood, student scholarships and pastureland water access.

$15bn[1]
Invested in Mongolia between 2010 and 2022

$4bn[1]
Total taxes and royalties paid in Mongolia since 2010

$294m
Total taxes and royalties paid in Mongolia in 2022

$209m
Taxes and royalties paid to the Mongolian national Government including royalties of $81m

$85m
Total taxes paid to the regional governments

$(443)m
Mongolian pre-tax underlying loss in 2022

4,175
Employees

$27m
Taxes collected on behalf of employees and remitted to Mongolian governments in 2022

Local herder in the Gobi Desert, close to our Oyu Tolgoi copper mine, Mongolia.

1. Reported totals do not include any amounts in relation to the $2.4 billion waiver of funding balances from a carry account loan with Erdenes Oyu Tolgoi. Refer to page 213 in our *2022 Annual Report* for more information.

United States

Kennecott, our operation based in Salt Lake City, Utah, has one of only two operating copper smelters in the US and it delivers approximately 12% of US copper production. Our borates business in California, U.S. Borax, supplies almost 30% of the global demand for refined borates. It is used in everything from agriculture to fibreglass insulation and in materials for renewable energy – for both wind and solar projects.

In 2022, we paid $135 million in taxes and royalties in the US.

In Arizona, the proposed Resolution Copper project continues to progress through comprehensive and independent social and environmental regulatory reviews. Resolution has the potential to supply up to 25% of US copper demand, and create several thousand direct and indirect jobs, with an economic value of approximately $1 billion annually over the estimated mine life.

Finding better ways to reduce our carbon footprint

The transition to a lower-carbon world offers us opportunities to grow our business. In 2022, we continued to innovate and invest for future growth in the US. For example, we started producing tellurium from waste at our Kennecott copper operations, becoming one of only two US producers of this critical mineral used in advanced thin film photovoltaic solar panels. At our U.S. Borax operations in California, we are partnering with CR Minerals to build a new facility to produce pozzolans, a low-carbon alternative to cement used in concrete, from our waste tailings.

As part of our global decarbonisation objectives, which include a 50% reduction in Scope 1 and 2 emissions by 2030, and a commitment to reach net zero by 2050, we have been progressing our plans to reduce the carbon footprint of our fleet by swapping conventional diesel for renewable fuel in haul trucks at our US operations.

We completed our first renewable diesel trial at our U.S. Borax mine in 2022, and we are now conducting a second trial at the Kennecott copper operations to determine the suitability of renewable diesel for open pit haulage. These trials could pave the way for us to be the first mining company in the US to operate a fully renewable fleet.

Investing in, and listening to, local communities in the US

We continue to invest in host communities – not only through the taxes and royalties we pay, but also through the support we provide for communities. In 2022, Resolution Copper invested $1.37 million through partnerships and donations to projects with Native American tribes and other communities in the Copper Corridor.

We continue to build relationships with communities and Native American tribes impacted by our proposed Resolution Copper project, while we take into consideration their concerns. We recognise the enduring historical connection Native American tribes have with the land at, or near, the proposed mine and we have partnered with the Tonto National Forest Service and Native American tribes to develop a programme to train tribal members in archaeological surveys and to help us identify sites of special significance to tribes.

For more information about our engagement with Indigenous peoples in the US, see our *2022 Communities and Social Performance Commitments Disclosure* on our website.

$135m
Total taxes and royalties paid in the US in 2022

$6m
Corporate income tax paid in the US in 2022

$57m
Taxes paid to Salt Lake County, Utah in 2022

$(244)m
US pre-tax underlying loss in 2022

3,655
Employees

$111m
Taxes collected on behalf of employees and remitted to US state and federal agencies in 2022

Kennecott copper mine, US.

South America

In 2022, we invested in the Rincon Lithium Project – a large, undeveloped lithium-brine project located in the heart of the lithium triangle in Argentina. Once fully operational, it will be a valuable source of rapidly produced, high-quality lithium for the global energy transition.

In addition to our Rincon project, we also have interests in three non-managed operations in South America – in Chile and Brazil.

We own a 30% share in Escondida, in northern Chile, the world's largest copper mine. We also own 10% in the Alumar aluminium refinery in São Luís, Maranhão, north-east Brazil and the remaining 90% is owned by Alcoa and South32. And we own 12% in the Mineração Rio do Norte (MRN) mine complex in Porto Trombetas, Brazil's largest bauxite mine.

Our operations provide local jobs, and our taxes to governments contribute to regional growth and development. In 2022, we paid $694 million in taxes and royalties in South America.

Finding better ways to reduce our carbon footprint

Chile has set a power policy target (Energia 2025) for 20% of all Chilean energy to come from renewable sources by 2025. By tapping into Chile's rich solar and wind resources, Escondida is aiming to use 100% renewable electricity supply by the mid-2020s.

Engaging with local communities

In Argentina, where we are developing the Rincon project, we are currently undertaking detailed assessment, definition and planning to develop the project to the highest ESG standards, while engaging with communities, the province of Salta and the Government of Argentina to ensure an open, transparent and meaningful dialogue. As the project advances, we will be working with our stakeholders to find ways that add value to the future of the province and its community.

Escondida copper mine, Chile.

$694m
Total taxes and royalties paid in South America in 2022

$678m
Total taxes and royalties paid in Chile in 2022

$13m
Total taxes and royalties paid in Peru in 2022

$2m
Total taxes and royalties paid in Argentina in 2022

$1,141m
South America pre-tax underlying earnings in 2022 (including equity accounted units)

1,669
Employees (including equity accounted units)

$15m
Taxes collected on behalf of employees and remitted to South American governments in 2022

Africa

Our operations in Africa include mines, refineries and processing plants and we also conduct exploration activities across the continent. We have mineral sands operations in South Africa and Madagascar, while in Guinea, we have an iron ore project and a non-managed interest in a bauxite mine.

Our Richards Bay Minerals (RBM) operation is a world leader in heavy mineral sands extraction and refining and it is South Africa's largest mineral sands producer. We have been operating here for more than 40 years. In 2022, RBM contributed $83 million through corporate income tax and royalties, and R25.6 million in community investment.

QIT Madagascar Minerals (QMM), in the Anosy region of Madagascar, produces ilmenite, which is a major source of titanium dioxide, predominantly used as a white pigment in products such as paints and paper. QMM has invested more than $1 billion in Madagascar since 2005, with $350 million invested in building shared infrastructure through public-private partnerships. In 2022, 98% of the workforce was Malagasy.

Finding better ways to reduce our carbon footprint

In 2022, we signed a 130MW solar power purchase agreement with Voltalia for RBM in South Africa. The renewable power supply is expected to cut RBM's annual greenhouse gas emissions by at least 10%[1], or 237kt CO_2e per year. The project will also provide skills development opportunities for members of the surrounding communities, and a bursary programme for young local learners. In support of South Africa's growing renewable energy sector value chain, Voltalia will work to source its goods and services locally.

Separately, a further 200MW of wind is also in progress and we have partnerships aiming for 100% renewable power at RBM by 2040.

We have also progressed the construction of a renewable energy project at QMM. From 2023, we will use solar and wind energy to provide 60% of QMM's annual power needs, as well as supply clean power to Fort Dauphin and surrounding communities in Madagascar.

Engaging with local communities

Our Simandou iron ore joint venture project in Guinea is the largest known undeveloped high-grade iron ore deposit in the world. We are working closely with our joint venture partners, the Government and local communities to prepare for construction and future operations by identifying and managing our impacts, and designing and delivering local social investment and regional economic development programmes. In addition to implementing environmental and social impact mitigation measures, our teams are working to enhance social infrastructure, deliver livelihood improvement initiatives and build community resilience. Our commitment to local content and local entrepreneurs, and investing in local skills and education, is also key to optimising benefits to our host communities and Guineans across the country.

$149m
Total taxes and royalties paid in Africa in 2022

$123m
Corporate income tax paid in Africa in 2022

$320m
Africa pre-tax underlying earnings in 2022 (including equity accounted units)

$85m
Total taxes and royalties paid in South Africa in 2022

3,823
Employees in Africa (including equity accounted units)

$31m
Taxes collected on behalf of employees and remitted to governments of five countries in Africa in 2022

QIT Madagascar Minerals, Madagascar.

1. Compared to 2018 baseline emissions.

Europe

Our history in Europe stretches back to our formation 150 years ago: our first mines were along the banks of the Rio Tinto river in Andalusia, Spain. Today, we have operations and legacy sites across Europe, and our global headquarters are in London. We continue to invest in Europe, focusing on commodities and partnerships enabling energy transition.

In 2021, we committed $2.4 billion to the Jadar lithium-borates project in Serbia, one of the world's largest greenfield lithium projects. In January 2022, the Government of Serbia cancelled the Spatial Plan for the Jadar project and required all related permits to be revoked. We continue to believe that the Jadar project can contribute to enhancing the electric vehicle supply chain ecosystem in Serbia. We continue to explore options with all stakeholders on how to progress this world-class opportunity to the highest environmental standards.

In Iceland, we operate the ISAL aluminium smelter where we produce some of the highest-quality, lowest carbon footprint aluminium in the world, employing more than 500 workers on site.

We pay tax in 11 European countries:

- Belgium
- Finland
- France
- Germany
- Iceland
- Netherlands
- Serbia
- Spain
- Sweden
- Switzerland
- UK

Finding better ways to reduce our carbon footprint

We continue to explore carbon capture and mineralisation options, leveraging our exploration and geological expertise. Together with Carbfix, we are planning to permanently store carbon underground at our ISAL aluminium smelter. Carbfix will use our land surrounding the ISAL smelter for onshore CO_2 injection in the world's first carbon mineral storage hub. Our goal is to use the Carbfix technology to further decarbonise our operations.

ISAL aluminium smelter, Iceland.

$129m
Total taxes and royalties paid in Europe in 2022

$79m
Corporate income tax paid in Europe in 2022

$39m
Employer payroll tax paid in Europe in 2022

$492m
Europe pre-tax underlying earnings in 2022

1,196
Employees

$83m
Taxes collected on behalf of employees and remitted to European governments in 2022

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Brisbane Hub, Australia.

Analysis by country and level of government

This table shows the total of all tax and other payments to governments for every country where the Rio Tinto Group paid at least $100,000 in 2022. We do not earn any significant profit in countries not listed in this table.

Within each country, total tax payments (net of refunds) are reported by the national, regional or local government to which they are paid.

The analysis by country and level of government is prepared in accordance with the basis of preparation in Appendix 1.

Country and level of government ($US millions)	Corporate income tax	Government royalties	Fees, dividends and other extractive-related payments	Employer payroll taxes	Other taxes and payments	Total tax payments borne	Employee payroll taxes
Australia Total[1]	**6,136.9**	**2,071.2**	**10.0**	**237.7**	**87.3**	**8,543.1**	**844.0**
Australian Taxation Office	6,136.9	4.3	–	56.3	12.1	6,209.6	844.0
Australian Border Force	–	–	–	–	1.6	1.6	–
State of Western Australia	–	1,973.0	1.5	138.6	40.8	2,153.9	–
State of Queensland	–	62.8	1.6	31.9	7.7	104.0	–
Northern Territory Revenue Office	–	31.1	6.9	3.9	0.6	42.5	–
State of Tasmania	–	–	–	3.0	–	3.0	–
State of Victoria	–	–	–	1.5	2.2	3.7	–
State of New South Wales	–	–	–	2.5	–	2.5	–
Shire of Ashburton (WA)	–	–	–	–	6.5	6.5	–
City of Karratha (WA)	–	–	–	–	5.4	5.4	–
Gladstone Regional Council (QLD)	–	–	–	–	5.3	5.3	–
Shire of East Pilbara (WA)	–	–	–	–	1.6	1.6	–
Weipa Town Authority (QLD)	–	–	–	–	1.4	1.4	–
West Arnhem Shire Council (NT)	–	–	–	–	0.9	0.9	–
Cook Shire Council (QLD)	–	–	–	–	0.5	0.5	–
George Town Council (TAS)	–	–	–	–	0.3	0.3	–
Town of Port Hedland (WA)	–	–	–	–	0.2	0.2	–
Other Australian Governments	–	–	–	–	0.2	0.2	–
Canada Total	**419.9**	**57.4**	**19.9**	**117.1**	**103.5**	**717.8**	**489.2**
Canada Revenue Agency	280.6	–	0.2	22.4	(0.8)	302.4	294.6
Revenue Québec	18.2	–	–	82.3	6.5	107.0	194.6
Government of Newfoundland and Labrador	94.9	–	0.4	6.2	6.4	107.9	–
Ministre des Finances du Québec	–	43.0	0.4	–	0.5	43.9	–
Government of Northwest Territories	26.2	–	6.9	3.3	4.7	41.1	–
Ville de Saguenay (QC)	–	–	0.6	–	26.5	27.1	–
Ministry of Finance of British Columbia	–	14.4	–	2.9	5.8	23.1	–
District of Kitimat (BC)	–	–	–	–	18.0	18.0	–
Ville d'Alma (QC)	–	–	–	–	9.3	9.3	–
Town of Labrador City (NL)	–	–	–	–	7.9	7.9	–
Les Innus de Uashat mak Mani-utenam and Les Innus de Matimekush-Lac John[2]	–	–	4.3	–	–	4.3	–
Commission Scolaire du Fer (QC)	–	–	–	–	4.1	4.1	–
Ville de Sept-Îles (QC)	–	–	–	–	3.7	3.7	–
Innu Nation (Labrador)[2]	–	–	2.5	–	–	2.5	–
Ville de St-Joseph-de-Sorel (QC)	–	–	–	–	2.0	2.0	–
Tlicho Government[2]	–	–	1.9	–	–	1.9	–
MRC du Fjord-du-Saguenay (QC)	–	–	–	–	1.5	1.5	–
MRC Maria-Chapdelaine (QC)	–	–	–	–	1.1	1.1	–
Ville de Bécancour (QC)	–	–	–	–	1.0	1.0	–
Municipalité de Ste-Monique de Honfleur (QC)	–	–	–	–	1.0	1.0	–
Conseil des Innus de Ekuanitshit[2]	–	–	0.9	–	–	0.9	–
Ville de Sorel-Tracy (QC)	–	–	–	–	0.8	0.8	–
Yellowknives Dene First Nation[2]	–	–	0.8	–	–	0.8	–
Municipalité de Péribonka (QC)	–	–	–	–	0.6	0.6	–
Strathcona County (AB)	–	–	0.2	–	0.3	0.5	–
Municipalité de Havre-St-Pierre (QC)	–	–	–	–	0.5	0.5	–
Commission Scolaire de la Jonquiére (QC)	–	–	–	–	0.4	0.4	–
Commission Scolaire du Lac-Saint-Jean (QC)	–	–	–	–	0.4	0.4	–
Commission Scolaire des Rives-du-Saguenay (QC)	–	–	–	–	0.3	0.3	–
Lutsel K'e Dene First Nation[2]	–	–	0.3	–	–	0.3	–
Municipalité de l'Ascension-De-Notre-Seigneur (QC)	–	–	–	–	0.1	0.1	–
Commission Scolaire de Sorel (QC)	–	–	–	–	0.1	0.1	–
Government of Alberta	–	–	0.1	–	–	0.1	–
Other Canadian Governments	–	–	0.4	–	0.8	1.2	–

Country and level of government ($US millions)	Corporate income tax	Government royalties	Fees, dividends and other extractive-related payments	Employer payroll taxes	Other taxes and payments	Total tax payments borne	Employee payroll taxes
Chile Total	**670.2**	**–**	**2.3**	**–**	**5.5**	**678.0**	**11.8**
Servicio de Impuestos Internos	670.2	–	2.3	–	5.5	678.0	11.8
Mongolia Total[3]	**0.6**	**81.4**	**12.9**	**27.7**	**171.8**	**294.4**	**26.6**
General Department of Taxation	0.4	81.4	–	–	95.5	177.3	–
Ulaanbaatar City	0.2	–	0.5	27.6	0.8	29.1	13.6
General Department of Customs	–	–	–	–	31.9	31.9	–
Umnugovi Province	–	–	6.3	–	43.4	49.7	13.0
Gobi Oyu Development Support Fund[2]	–	–	6.0	–	–	6.0	–
Other Mongolian Government Agencies	–	–	0.1	0.1	0.2	0.4	–
US Total	**6.1**	**13.0**	**64.8**	**31.7**	**18.9**	**134.5**	**111.3**
Internal Revenue Service	–	–	–	31.0	–	31.0	90.0
Salt Lake County (UT)	–	–	56.7	–	0.1	56.8	–
Utah State Tax Commission	–	13.0	–	0.5	4.8	18.3	13.3
California Franchise Tax Board	3.2	–	–	0.2	7.1	10.5	6.1
Kern County (CA)	–	–	8.1	–	–	8.1	–
Ohio Treasurer of State	0.2	–	–	–	2.9	3.1	–
Pinal County (AZ)	–	–	–	–	1.2	1.2	–
Arizona Department of Revenue	0.1	–	–	–	0.6	0.7	0.8
Pennsylvania Department of Revenue	0.5	–	–	–	–	0.5	–
Louisiana Department of Revenue	0.4	–	–	–	–	0.4	–
Los Angeles County (CA)	–	–	–	–	0.4	0.4	–
Minnesota Department of Revenue	0.1	–	–	–	0.2	0.3	–
Tennessee Department of Revenue	0.3	–	–	–	–	0.3	–
Oregon Department of Revenue	0.3	–	–	–	–	0.3	–
Texas Department of Revenue	–	–	–	–	0.3	0.3	–
New Mexico Department of Revenue	–	–	–	–	0.2	0.2	–
New York Department of Taxation and Finance	0.2	–	–	–	–	0.2	–
Inyo County (CA)	–	–	–	–	0.2	0.2	–
Illinois Department of Revenue	0.2	–	–	–	–	0.2	0.8
Kentucky Department of Revenue	0.1	–	–	–	–	0.1	–
Wisconsin Department of Revenue	–	–	–	–	0.1	0.1	–
Other US Governments	0.5	–	–	–	0.8	1.3	0.3
UK Total	**75.1**	**–**	**–**	**16.7**	**5.9**	**97.7**	**47.0**
Her Majesty's Revenue and Customs	75.1	–	–	16.7	1.2	93.0	47.0
Westminster City Council	–	–	–	–	4.7	4.7	–
South Africa Total	**75.5**	**7.8**	**–**	**1.2**	**0.4**	**84.9**	**28.2**
South African Revenue Service	75.5	7.8	–	1.2	0.4	84.9	28.2
New Zealand Total	**64.1**	**–**	**–**	**0.1**	**0.1**	**64.3**	**13.6**
Inland Revenue Department	64.1	–	–	0.1	0.1	64.3	13.6
Singapore Total	**48.5**	**–**	**–**	**–**	**0.2**	**48.7**	**–**
Inland Revenue Authority of Singapore	48.5	–	–	–	0.2	48.7	–
Guinea Total	**46.5**	**–**	**0.1**	**0.1**	**0.5**	**47.2**	**1.1**
Presidency of the Republic of Guinea	46.5	–	0.1	0.1	0.5	47.2	1.1
Madagascar Total	**1.0**	**4.1**	**–**	**0.3**	**11.1**	**16.5**	**1.2**
General Direction of Taxes	1.0	4.1	–	0.3	11.1	16.5	1.2
Peru Total	**–**	**–**	**12.3**	**0.9**	**–**	**13.2**	**1.0**
The National Superintendency of Customs and Tax Administration	–	–	12.3	0.9	–	13.2	1.0
France Total	**–**	**–**	**–**	**10.7**	**1.2**	**11.9**	**4.5**
Directorate General of Public Finance	–	–	–	–	1.2	1.2	–
Direction Générale des Finances Publiques– Rhône-Alpes	–	–	–	8.9	–	8.9	3.8
Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales	–	–	–	1.8	–	1.8	0.7
Iceland Total	**–**	**–**	**0.1**	**8.4**	**2.9**	**11.4**	**13.7**
Directorate of Internal Revenue	–	–	0.1	8.4	2.9	11.4	13.7
China Total	**(14.7)**	**–**	**–**	**1.4**	**6.5**	**(6.8)**	**3.6**
State Administration of Taxation	(14.7)	–	–	–	6.5	(8.2)	0.4
Beijing Municipality	–	–	–	0.4	–	0.4	0.8
Shanghai Municipality	–	–	–	1.0	–	1.0	2.4

Country and level of government ($US millions)	Corporate income tax	Government royalties	Fees, dividends and other extractive-related payments	Employer payroll taxes	Other taxes and payments	Total tax payments borne	Employee payroll taxes
Total Other	**6.6**	**1.5**	**0.8**	**7.9**	**5.4**	**22.2**	**25.0**
Oman – Ministry of Finance Secretariat General for Taxation	9.0	–	–	–	0.3	9.3	–
Argentina – Administracion Federal de Ingresos Publicos	0.7	–	–	1.3	0.4	2.4	0.8
Belgium – Federal Public Service Belgium	1.1	–	–	0.8	–	1.9	1.8
Serbia – Tax Administration	–	–	0.2	0.9	0.7	1.8	2.1
Sweden – Swedish Tax Agency	1.0	–	0.3	0.5	–	1.8	0.5
India – Tax Department	1.4	–	–	–	0.1	1.5	2.4
Netherlands – Tax and Customs Administration	1.1	–	–	0.2	0.1	1.4	11.9
Switzerland – Federal Tax Administration	0.6	–	–	–	0.1	0.7	–
Germany – Federal Ministry of Finance	0.2	–	–	0.3	–	0.5	1.1
Spain – Agencia Tributaria	0.2	–	–	–	–	0.2	–
Japan – National Tax Agency	0.2	–	–	–	–	0.2	1.5
Korea – National Tax Service	0.2	–	–	–	–	0.2	–
Malaysia – Inland Revenue Board of Malaysia	0.1	–	–	–	–	0.1	–
Kazakhstan – Committee of State Revenue	0.1	–	–	–	–	0.1	–
Finland – Finnish Tax Administration	–	–	–	0.1	–	0.1	0.2
Brazil – Federal Revenue of Brazil	(9.3)	1.5	0.3	3.8	3.7	–	1.8
Zambia – Revenue Authority	–	–	–	–	–	–	0.8
Angola – Tax Authority	–	–	–	–	–	–	0.1
Total payments to governments	**7,536.3**	**2,236.4**	**123.2**	**461.9**	**421.2**	**10,779.0**	**1,621.8**

Total 2022 net refunds from governments on sales taxes, VAT, GST, excise duties, fuel credits and withholding taxes on supplier invoices not borne by Rio Tinto were $1.6 billion. These refunds are not included in the table above.

1. Australia tax payments borne excludes interest and penalties paid as part of the additional tax of A$613 million paid to the Australian Tax Office on the settlement of disputed tax matters. See page 25 for further details.
2. Indigenous governments and other government-controlled bodies have been included to comply with extractive industry reporting requirements in the United Kingdom and Canada.
3. Mongolian totals do not include any amounts in relation to the $2.4 billion waiver of funding balances from a carry account loan with Erdenes Oyu Tolgoi. Refer to page 213 in our *2022 Annual Report* for more information.

Tax and other payments to governments made on a project-by-project basis

The analysis by project is prepared in accordance with the basis of preparation in Appendix 1.

Product group and project (US$ millions)	Corporate income tax	Government royalties	Fees, dividends and other extractive-related payments	Total payments for report on payments to governments purposes	Employer payroll taxes	Other taxes and payments	Total tax payments borne	Employee payroll taxes
Iron Ore	**6,051.3**	**1,973.0**	**1.5**	**8,025.8**	**159.0**	**61.1**	**8,245.9**	**534.6**
Pilbara – Australia	6,051.7	1,970.6	1.4	8,023.7	154.9	59.9	8,238.5	522.6
Dampier Salt – Australia[1]	(0.4)	2.4	0.1	2.1	4.1	1.2	7.4	12.0
Copper	**596.0**	**94.4**	**72.0**	**762.4**	**47.7**	**184.3**	**994.4**	**102.3**
Kennecott Utah Copper – US	(40.0)	13.0	56.7	29.7	17.9	5.0	52.6	57.0
Oyu Tolgoi – Mongolia	0.2	81.4	12.9	94.5	27.6	171.7	293.8	26.6
Resolution Copper – US	(7.4)	–	–	(7.4)	1.6	1.8	(4.0)	5.0
Escondida – Chile – EAU[2]	670.2	–	2.3	672.5	–	5.3	677.8	10.7
Winu – Australia	(27.0)	–	–	(27.0)	0.5	–	(26.5)	1.9
Simandou – Guinea[3]	-	-	0.1	0.1	0.1	0.5	0.7	1.1
Minerals	**472.8**	**11.4**	**26.3**	**510.5**	**52.3**	**48.6**	**611.4**	**238.9**
Iron Ore Company of Canada[4]	361.9	–	7.2	369.1	15.7	18.9	403.7	97.3
Richards Bay Minerals – South Africa	75.4	7.8	–	83.2	1.1	0.4	84.7	24.2
Rio Tinto Fer et Titane – Canada	0.9	–	0.9	1.8	19.3	5.9	27.0	58.2
QIT Madagascar Minerals	1.0	3.6	–	4.6	0.3	11.1	16.0	1.1
US Borates	6.7	–	8.1	14.8	7.2	7.9	29.9	24.3
Jadar – Serbia	–	–	0.2	0.2	0.9	0.7	1.8	2.1
Diavik – Canada	26.2	–	9.9	36.1	6.5	3.3	45.9	30.9
Rincon – Argentina	0.7	–	–	0.7	1.3	0.4	2.4	0.8
Aluminium	**58.1**	**95.4**	**8.5**	**162.0**	**15.8**	**12.0**	**189.8**	**44.4**
Weipa including Amrun – Australia	10.4	62.8	1.6	74.8	10.0	7.0	91.8	30.7
Gove – Australia	–	31.1	6.9	38.0	3.4	4.0	45.4	13.2
Sangaredi – Guinea – EAU[2]	46.5	–	–	46.5	–	–	46.5	–
Porto Trombetas – Brazil – EAU[2]	1.2	1.5	–	2.7	2.4	1.0	6.1	0.5
Exploration	**(28.8)**	**–**	**12.6**	**(16.2)**	**4.4**	**1.0**	**(10.8)**	**17.2**
Exploration – Australia	(21.6)	–	–	(21.6)	2.2	0.3	(19.1)	9.1
Exploration – Brazil	–	–	0.3	0.3	0.4	0.4	1.1	0.5
Exploration – Chile	–	–	–	–	–	0.1	0.1	1.1
Exploration – Peru	–	–	12.3	12.3	0.9	–	13.2	1.0
Exploration – US	(7.2)	–	–	(7.2)	0.8	0.2	(6.2)	4.1
Exploration – Other	–	–	–	–	0.1	–	0.1	1.4
Non-extractive projects[5]	**386.9**	**62.2**	**2.3**	**451.4**	**182.7**	**114.2**	**748.3**	**684.4**
Smelting and Refineries	226.4	57.4	2.3	286.1	103.4	91.3	480.8	361.7
Commercial, Finance, Head Office and Managed Operations	160.5	4.8	–	165.3	79.3	22.9	267.5	322.7
Total payments to governments	**7,536.3**	**2,236.4**	**123.2**	**9,895.9**	**461.9**	**421.2**	**10,779.0**	**1,621.8**

1. Dampier Salt is reported within Iron Ore, reflecting management responsibility.
2. EAU: Equity accounted units will not be included in the formal UK filing of the "Reports on Payments to Governments" to be filed at Companies House.
3. Simandou is an iron ore project but is reported under Copper, reflecting management responsibility.
4. Iron Ore Company of Canada is reported within Minerals, reflecting management responsibility.
5. Non-extractive projects payments will not be included in the formal UK filing of the "Reports on Payments to Governments" to be filed at Companies House.

Reconciliation of accounting profit, tax charge, corporate income tax paid and royalties

Reconciliation of 2022 accounting profit and total tax charge

US$ millions	
Profit before tax	18,662
Expected tax charge at UK rate of 19%	3,546
Higher rate of tax on Australian underlying earnings at 30%	1,550
Other tax rates applicable outside the UK and Australia	(17)
Tax effect of profit from equity accounted units, related impairments and expenses	(109)
Recognition of previously unrecognised deferred tax assets	(261)
Write-down of previously recognised deferred tax assets	820
Utilisation of previously unrecognised deferred tax assets	(37)
Unrecognised current-year operating losses	212
Adjustments in respect of prior years	(222)
Other items	104
Total tax charge	**5,586**

Reconciliation of royalties expense to royalties paid

US$ millions	
Royalties included in accounting profit	2,345
Difference between royalties paid and royalties accrued	(109)
Total royalties paid	**2,236**

Reconciliation of 2022 total tax charge and current tax charge

US$ millions	
Total tax charge	5,586
Temporary differences	
Tax losses	(525)
Provisions	14
Capital allowances	65
Post-retirement benefits	(59)
Other temporary differences	(230)
Current tax charge	**4,851**

Reconciliation of 2022 current tax charge and corporate income tax paid

US$ millions	
2022 Current tax charge	4,851
Add current tax charge of equity accounted units	572
	5,423
Australian instalments on 2021 profits paid in H1 2022	1,156
Australian instalments overpaid on 2022 profits – refunds due in H1 2023	138
ATO Dispute Settlement (excluding interest and penalties)	373
Tax payments greater than tax charges (timing)	446
Corporate income tax paid	**7,536**

Effective corporate income tax rates on total earnings

US$ millions	Profit before tax	Total tax charge	Effective corporate income tax rate (%)
Underlying earnings	17,836	(4,684)	26.3%
Exclusions from underlying earnings	252	(904)	358.7%
	18,088	**(5,588)**	**30.9%**
Add share of profit after tax of EAU	777		
Impairment after tax of investments in equity accounted units	(203)		
Total profit before tax	**18,662**		

Payments to governments and the mining lifecycle

Our projects are long-term investments, and the amount we contribute to governments varies depending on where the project is in its lifecycle.

Mining and processing, by its very nature, disturbs the environment and can impact surrounding communities. But it also delivers significant economic and social benefits, including the production of essential materials, employment, small business development, training and skills development, and socioeconomic programmes. Through taxes and royalties, we can also support the basic infrastructure of society – bridges and roads, schools and hospitals.

While we are proud of the economic contribution our business makes to governments around the world through our taxes and royalties, we also continue to work to minimise our impact on the environment and the Indigenous communities around our sites. By encouraging and supporting investment, governments have the opportunity to support increasing community needs. In this way, tax policy can play an important role in supporting countries' economic activity, growth and employment.

Explore and evaluate

0–20 years

The first phase of a project (before it becomes a mine) is exploration and evaluation. Payments made to governments during this stage usually include employment-related taxes for small project teams, as well as payments for permits, fees and licences. Generally, no corporate taxes or royalties are paid in this phase.

Develop and innovate

Up to 10 years

The increased expenditure created by the design and construction of a facility, as well as employment taxes associated with the greater number of people employed to work on the project, mean there are usually more taxes paid during a project's second phase. Withholding taxes, custom duties and unrecoverable GST/VAT on payments supporting the development of the project may be relevant. As tax losses will generally arise, there may be no corporate taxes paid in this phase.

Mine and process | Market and deliver

Decades

Once the facility is operational, governments begin to receive royalty payments, which can span many decades. In the initial years of operation, there may be no corporate income taxes paid as allowances for the capital costs associated with construction are applied or tax losses from the design and construction phase are utilised. Once tax losses have been utilised, corporate income taxes begin to be paid. As corporate income taxes relate to profits, commodity prices affect the tax revenue collected by governments. Profitable operations can result in a significant economic contribution in the form of taxes and royalties as well as other benefits to local economies in the form of employment, payments to suppliers and support to local communities.

Repurpose and renew

5+ years

Payments to governments in the final closure and post-closure phases, when the mine is no longer operational, are significantly less than in the operating phase.

Underpinned by disciplined capital allocation

Our commitment to transparency and responsible tax principles

We believe that greater transparency and accountability are key to earning and building trust, encouraging sustainable business practices and translating taxes and royalties into beneficial development outcomes for communities that host our operations.

Being open about our tax payments, mineral development contracts, beneficial ownership and our stance on a range of other sustainability issues – like climate change – allows us to enter into open, fact-based conversations with our stakeholders, and provides a better understanding of everyone's roles and responsibilities.

By partnering with investors, governments and civil society organisations, multinational companies like ours can be at the forefront of collaborative efforts to restore integrity and support stable and effective tax systems. That is why we are a founding member of the Extractive Industries Transparency Initiative (EITI), and a signatory to the B Team Responsible Tax Principles. Through increased and improved disclosures, EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management and provide the data to inform reforms for greater transparency and accountability in the extractives sector. We are committed to improved mineral resource governance and have played a leading role in the disclosure of tax payments to governments, mineral development contracts with governments and beneficial ownership information.

The B Team is a not-for-profit initiative formed by a global group of business leaders to catalyse a better way of doing business. The B Team Responsible Tax Principles define what leadership in responsible tax looks like and were developed by a group of cross-sector, cross-regional companies to articulate best practice in seven key areas.

Our disclosures in this report demonstrate our approach to the seven Responsible Tax Principles:

1. Tax is a core part of corporate responsibility and governance and is overseen by the Board of Directors (the Board).
2. We comply with the tax legislation of the countries in which we operate, and pay the right amount of tax, at the right time, in the countries where we create value.
3. We will only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.
4. We seek, wherever possible, to develop co-operative relationships with tax authorities, based on mutual respect, transparency and trust.
5. Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.
6. We engage constructively in national and international dialogue with governments, business groups and civil society organisations to support the development of effective tax systems, legislation and administration.
7. We provide regular information to our stakeholders, including investors, policy makers, employees, civil society organisations and the general public, about our approach to tax and taxes paid.

Building on a track record of transparency

We recognise the role we can play in helping to build strong, sustainable economies by contributing to the federal, state, provincial and local governments where we operate. We have been making comprehensive disclosures around our tax payments since publishing our first *Taxes Paid Report* in 2010, and we aim to continue to improve our tax payment reporting by adopting new best practices and meeting evolving regulatory requirements. Our annual disclosures include country-by-country data on taxes and payments to governments, as well as project-by-project disclosures.

Consistent with our commitment to building on transparency about our economic contribution, we report in full the requirements of the "Tax" standard (GRI 207) of the Global Sustainability Standards Board of the Global Reporting Initiative (GRI), including full country-by-country reporting.

This report, coupled with our annual *Country-by-Country Report*, applies the requirements of GRI 207, which applies to reports or other materials published on or after 1 January 2021. This report includes Rio Tinto's management approach disclosures under GRI 207 in respect of:

- Disclosure 207-1 Approach to tax
- Disclosure 207-2 Tax governance, control, and risk management
- Disclosure 207-3 Stakeholder engagement and management of concerns related to tax

Our annual *Country-by-Country Report*, which can be found on our website, contains our topic-specific disclosures under GRI 207, namely:

- Disclosure 207-4 Country-by-country reporting

This report also meets the requirements of the Australian Voluntary Tax Transparency Code. We also file additional reports to disclose payments to governments connected with extractive activity to meet requirements in the UK and Canada (the Reports on Payments to Governments Regulations 2014 (as amended), and the Extractive Sector Transparency Measures Act). These reports include the project-by-project information disclosed in this report.

As required by UK law, we publish our Tax strategy on an annual basis as part of this document. The statements on page 20 explain our worldwide approach to tax for the year ended 31 December 2022, as required by paragraph 16, Schedule 19 of Finance Act 2016. These statements are reviewed annually by the Board and were last approved on 25 October 2022.

We also disclose mineral development contracts with governments, where they are not subject to confidentiality restrictions, therefore meeting the commitments we made in our Transparency Statement, which can be found on our website. We continue to encourage governments to allow such disclosures. We have disclosed contracts relating to large, well-progressed projects that justify having specific contracting arrangements.

We have not included contracts with a minimal or indirect connection to mineral development, nor licences and legislation that also apply to other companies and projects. We also continue to disclose information about the beneficial owners of our joint ventures in line with EITI standards and expectations. These disclosures can be found on our website.

We continue to engage with governments and other stakeholders to share our experiences on disclosure and transparency, and we encourage the harmonisation of reporting obligations aligned with global best practices. We believe that the creation of a consistent standard by which companies can report their contributions with integrity and responsibility is essential to promoting confidence in business. We support the initiative by the Global Sustainability Standards Board of the GRI in formulating a Tax & Payments to Governments standard.

These reports show how tax disclosures can be made by groups on a voluntary basis. In a number of areas, including sustainability, voluntary transparency has been shown to encourage innovation in reporting, while proactive engagement with stakeholders has been shown to support the development of improved reporting models. We support these trends.

Our approach to tax

Our Group Tax Policy ("Tax Policy") governs our approach to tax and is reviewed and approved by the Board each year.

The primary responsibility of the Group in relation to taxation is to ensure compliance with the law and relevant statutory compliance obligations, and the application of our internal policies and standards. Within the limits established by these requirements, and subject to the principles set out in this Policy, the Group manages its tax affairs in a proactive manner that seeks to maximise shareholder value in accordance with our Group's strategy and our commitment to transparency.

Tax risk management and governance

- The Group is committed to strong governance to ensure we conduct ourselves within the various global tax regulations and, where relevant, identify, manage and report tax risks.
- The Board reviews and approves the Policy, and management's adherence to it, on an annual basis.
- Management enforces the Policy and monitors the appropriateness, adequacy and effectiveness of the tax risk management systems.
- Subject to oversight by the Board and management, the conduct of the Group's tax affairs and the management of tax risk are delegated to a global team of tax professionals.
- The Group complies with documented tax risk management procedures and thorough risk assessments are completed before entering into significant transactions.
- The Group adopts formal processes to identify and manage risks. Material risks are reported to the Board Audit Committee.
- We apply the arm's length principle to cross-border transactions in line with guidelines issued by the Organisation for Economic Co-operation and Development (OECD) and apply specific local regulations where required.

Dealings with tax authorities

- The Group values having good relations with tax authorities and is committed to engaging with tax authorities with integrity and transparency.
- The Group proactively engages with tax authorities on a real-time basis, including participation in co-operative compliance arrangements.
- Where there is uncertainty or disagreement in the application of the law, we work with tax authorities to seek clarity or resolve disagreements on a timely basis.

Principles of tax planning and tax risk management

- The Group will respect and comply with the laws of all jurisdictions in which we operate.
- The Group's tax planning and management of tax risk is aligned with our business strategy and conforms to our global Code of Conduct – The Way We Work, and the Business Integrity Standard.
- The Group actively considers the implications of tax planning and risk management activities on the Group's corporate reputation.
- We use business structures that are driven by commercial considerations, aligned with business activity.
- Where there is uncertainty with regard to a tax position in relation to a major business transaction or initiative, we seek an opinion from an appropriately qualified external adviser to support the position.

Tax incentives and concessions

- We pay tax on profits aligned with where business activity occurs, and value is created.
- The Group avails itself of tax concessions and incentives offered by countries to eligible taxpayers who undertake genuine business activity.
- Where we access incentives or concessions aligned with our business objectives, we comply with the relevant statutory framework and meet all reporting requirements.

Supporting effective tax systems

- We support simple, stable and competitive tax systems and administration.
- We engage constructively in local and international tax reform dialogue to contribute to the development of sustainable and effective tax systems.
- We actively promote transparent and responsible tax practices and engage with civil society organisations on initiatives to advance transparency over tax and payments to governments.

Rio Tinto will not:

- Participate in tax evasion or undertake aggressive tax planning.
- Take positions that do not have a reasonable basis, or which rely on non-disclosure.
- Artificially transfer profits from one business location to another to avoid taxation.

Our approach to regulatory compliance

The Group has a robust governance, control and risk management system in place to ensure its approach to tax is embedded in the organisation. The Board reviews and approves the Tax Policy and management's adherence to it on an annual basis. Management enforces the Policy and monitors the appropriateness, adequacy and effectiveness of the tax risk management systems.

Subject to oversight by the Board and management, the conduct of the Group's tax affairs and the management of tax risk are delegated to a global team of tax professionals led by the Head of Tax who reports to the Chief Financial Officer. These tax professionals are provided with regular training on the Group's approach to tax and provide an annual attestation to their familiarity with the Tax Policy and associated policies, procedures and controls.

The Group complies with documented tax risk management procedures and thorough risk assessments are completed before entering into significant transactions. The Group adopts formal processes to identify and manage risks. Material risks are reported to the Board Audit Committee. Regular internal audits are conducted to provide assurance over compliance.

Consistent with our risk management approach, we are committed to conducting our business fairly, in compliance with the law, and in accordance with our core values of care, courage and curiosity. We are also committed to fostering a culture where people feel safe to report conduct that does not align with those values. This is an essential component within our broader risk management framework, and key to our ongoing success and ability to operate. The Group's confidential reporting programme is key to meeting our commitment to protect and prevent retaliation against those who speak up.

Intra-Group transactions

The operation of a large multinational company involves many transactions between Group entities located in different countries. Transactions between Group entities are driven by commercial reality, and the pricing of these transactions is set to ensure that remuneration for each entity involved is aligned with its underlying business activity and relative contribution. We set our transfer prices using the arm's length principle in line with transfer pricing guidelines issued by the OECD and in accordance with local legislation.

We implement globally consistent transfer pricing policies so that the pricing of transactions between Group entities reflects the underlying economic contribution made through the activities undertaken, assets utilised and risks assumed by the relevant entities involved.

Transfer pricing involves a judgement about the allocation of value between the relevant countries. We are of the view that disagreements over the allocation of value between countries under transfer pricing rules is a matter for the relevant tax authorities to resolve and we will seek bi-lateral or multi-lateral agreements under the relevant tax treaties where appropriate to obtain certainty and mitigate double taxation. We support the OECD's Base Erosion and Profit Shifting final recommendations in its report on Action 14, Making Dispute Resolution Mechanisms More Effective, a minimum standard to ensure countries resolve treaty-related disputes in a timely, effective and efficient manner.

We disclose our material cross-border intra-Group transactions with revenue authorities through the lodgement of our tax returns and other co-operative compliance arrangements. We also comply with the OECD's country-by-country reporting requirements. This reporting provides tax authorities in each jurisdiction in which we operate with a clear overview of our intra-Group transactions, of where our profits, sales, employees and assets are located, and where taxes are paid and accrued. We also publicly disclose detailed country-by-country financial and tax data in our *Country-by-Country Reports* and meet the requirements of the GRI Tax standard GRI 207.

Details of our material intra-Group transactions are discussed in more detail in the following sections.

Commercial centre activities

Our Commercial function encompasses our global sales and marketing, trading, procurement, and marine and logistics operations. With 70% of the Group's sales to customers located in the Asia region, our global commercial centre is headquartered in Singapore where we have 454 employees. We also have commercial offices close to other key regional markets in Chicago and Antwerp, with regional sales support offices located in China, Japan and South Korea. Being closer to our customers enhances opportunities to identify and respond to market developments.

Our Commercial centre in Singapore includes supporting functions such as Market Analysis, Economics, Commercial Treasury, Insurance, Human Resources, Legal, Corporate Relations and Finance. This enhances collaboration and the sharing of commercial best practices across product groups and other corporate functions. Singapore is a recognised centre for global commodities trading and offers a stable regulatory and legal environment that encourages trade and investment. The country's critical mass of global commodities experience and depth of commercial, marine and logistics capability, along with its highly educated population, provides access to a large, diverse and highly trained talent pool. Many of our major customers, trading partners and service providers have offices in Singapore.

Our commercial teams work closely with our product groups to enable us to meet customer needs and market demands. By harnessing the skills, knowledge and insights we acquire from everything we buy, sell and move around the world, we focus on deepening customer and market insights, improving connections and accelerating decisions between our markets and assets and partnering with customers and suppliers to generate additional value.

We are also building an integrated physical and financial trading centre in Singapore focused on asset-backed trading activities to maximise the value of our portfolio. Obtaining the best value for our products maximises the value to our company, our shareholders and to the countries in which we operate via the taxes we pay.

As a critical supply chain partner to our mining businesses, our marine and logistics business is responsible for providing safe and sustainable global shipping services and acts as the central repository of maritime and logistics expertise. A key focus is on ensuring high operational and safety standards, across our fleet of owned and third-party ships, and in our third-party and transload sites.

We currently employ approximately 50 marine professionals in Singapore, supported by teams in Montreal, Perth, Gladstone and Shanghai. By volume, we are the largest dry bulk shipping business in the world, owning 17 vessels and contracting a fleet of around 230 vessels at any given time. The logistics team supports inbound and outbound physical distribution using rail, truck, container, barge and warehouse facilities, providing a global framework of both international and domestic freight services. Our marine and logistics business has been able to benefit from Singapore's position as a leading international maritime centre, tapping into its ecosystem of maritime and logistics service providers and talent pool.

We could not provide the materials the world needs without our suppliers, who help us at every stage of our business. Our procurement team works with our assets and operations to help deliver their business objectives. Procurement maximises value by maintaining a focus on cost-reduction, and by partnering with suppliers and product groups to identify productivity improvements.

We also undertake captive insurance activities in Singapore (see section on insurance).

The net profit before tax made by our Singapore entities from global sales and marketing activities in 2022 was $774 million. This represents approximately 4% of our global and 6% of our Australian net profit before tax of $18.7 billion and $13.1 billion, respectively. The profit made by our Singapore entities from marine, logistics and procurement in 2022 was $615 million.

The Singapore Government legislates tax incentives which are available to all taxpayers who meet significant economic substance requirements. Details of the tax incentives which apply to the activities in our Singapore commercial centre are outlined in the "Tax incentives" section in this report. Our entities in Singapore are subject to the application of the UK Controlled Foreign Corporations legislation; however, those rules do not generally subject those profits to any significant level of UK taxation.

All transactions with our Singaporean entities are on an arm's length basis and are priced in accordance with OECD transfer pricing guidelines and local legal legislative requirements. Transfer pricing involves a judgement about the allocation of value between the relevant countries.

Rio Tinto is committed to paying the right amount of tax due in all countries in which we operate. We will provide all information required to enable tax authorities to reach agreement.

Intra-Group financing

Our Group funding requirements are met through a combination of external and intra-Group financing arrangements. Cash from activities within our Group is managed by a team of Treasury experts who facilitate cash management and loan and equity financing, enabling efficient cash flow management between entities. Treasury entities located in the UK and Australia provide the majority of cross-border intra-Group financing to Group companies. Consequently, any income, including interest, received by these Rio Tinto companies is subject to tax in the UK or Australia at statutory corporate tax rates. The pricing of these intra-Group financing arrangements is consistent with the arm's length principle as set out in the OECD transfer pricing guidelines, and we are transparent with all relevant tax authorities in respect of our intra-Group financing.

Rio Tinto provides mine development funding in relation to the Oyu Tolgoi project through Netherlands and Singapore financing entities. These financing arrangements are transparent to the relevant revenue authorities, underpinned by revenue authority rulings, and subject to international tax rules (specifically controlled foreign corporation rules) in the UK and Canada.

Insurance

Our captive insurance companies that are tax resident in Singapore and the US provide commercially available insurance solutions to manage risks for our global businesses. These locations offer appropriate expertise, strong regulatory rules and access to global insurance and reinsurance markets. We retain acceptable risks in individual entities, self-insure these risks to an economically appropriate level and reinsure excess risks with third-party insurers in the market. The pricing of these intra-Group insurance arrangements is consistent with the arm's length principle as set out in the OECD transfer pricing guidelines.

The mining insurance industry can be cyclical as a result of low-frequency, high-impact loss events, which often result in periods of stable results punctuated by years of instability. Our entities in some locations pay tax on premiums paid to the captive insurance entities. For example, Australian tax laws require foreign residents to pay tax in Australia on premiums received from Australian resident entities. In 2022, a tax payment of approximately A$9.4 million was made to the ATO on behalf of our captive insurance company.

Group services functions

Our services functions perform an important role within our Group operating model, focusing on activities across headquarters, central support and shared services. These functions include Exploration; Productivity; Innovation; Health, Safety and Environment; Finance; Human Resources; Information Systems and Technology; and Legal and External Affairs. Personnel from these functions are based all around our global business, supporting product groups, business units and other functions. A service fee is typically charged for services provided between the Group entities consistent with OECD transfer pricing guidelines.

Tax incentives

Tax incentives are an important mechanism used by countries and regions to attract investment and stimulate growth in their economies, and we avail ourselves of concessions and incentives where they align with our business activities and commercial objectives.

The Singapore Government has granted our company a tax incentive that applies to the profits of our Singapore sales and marketing, trading, and procurement businesses. This is one of a range of incentives that is legislated and open to all taxpayers in Singapore if they can demonstrate a significant contribution to the economy and meet the criteria set by the government. If we meet the substance and activity requirements of the incentive, we will pay a reduced tax rate of 5% on eligible profits from these activities until 2022, after which the rate increases to 5.5% until 2027.

The Singapore Government has also granted our company a full exemption on income from qualifying shipping activities until 2027 under the Maritime Sector Incentive – Approved International Shipping (MSI-AIS) Enterprise Scheme. Income from qualifying insurance activities is also exempt until 2023 under the Tax Exemption Scheme for Captive Insurers carrying on Offshore Insurance Businesses. These incentives are contingent on the location of significant economic substance in Singapore and are available to all qualifying taxpayers.

The Singaporean financing entity has been granted a Section 13U tax incentive under which income is exempt from corporate tax. The incentive will be applicable provided the requisite substance and eligibility criteria are met. Absent the incentive, Singapore corporations benefit from the territorial tax regime under which interest earned from a foreign source is taxed only when the cash is repatriated in country. This regime is aligned with the tax regime applicable in Mongolia where interest is deductible and tax is withheld when the interest is paid, ensuring that deduction and income inclusion occur in the same year. No interest was paid or deducted in Mongolia in relation to this financing arrangement in 2022.

Canada is a competitive location for international shipping. Our North American shipping desk is located in Montreal and benefits from an income tax exemption on the profit generated on managed ships.

Quebec's (Canada) Government offers partial tax holidays on profits earned from government-certified capital investments of more than C$100 million. Over the years, our subsidiaries have had six capital investment projects approved for such tax holidays.

We invest heavily in research and development (R&D), and take part in incentives designed to encourage investment in R&D. For example, more than C$100 million is invested each year in Canada on R&D projects, giving us access to important tax incentives from federal and provincial governments.

In Belgium, our diamond-trading business is subject to the Carat Tax regime. It is compulsory for diamond-trading companies that are registered in Belgium and is applicable to turnover generated by genuine and habitual diamond trade. Under the Carat Tax regime, the standard corporate tax rate of 25% is applied to 2.1% of gross turnover less allowable deductions; however, taxable income cannot be lower than 0.55% of turnover.

None of the regimes under which we have been granted incentives has been noted by the OECD as being a harmful tax practice.

As noted in this report, we have also committed to disclose contracts with governments in relation to minerals development that are not subject to confidentiality undertakings, and we encourage governments to allow such disclosure.

Tax haven entities

There is no commonly accepted definition of the term "tax haven". We define a "tax haven" entity as a controlled entity that is resident for tax purposes in a country with a general corporate income tax rate of 10% or less. Countries with relatively high headline tax rates often make policy decisions to exempt certain categories of income or gains from tax, or to apply lower tax rates to certain activities, by way of incentive. Other countries may choose to create a relatively low overall tax environment as a means of stimulating economic activity. We have disclosed details about incentives applied to our business activities above.

We have approximately 490 controlled entities, of which four are tax resident in "tax havens", as defined above. We continue to make progress on reducing the number of entities tax resident in "tax havens".

Approach to engagement with tax authorities

We value strong, productive relationships with tax authorities, with whom we are committed to working transparently, proactively and collaboratively. In line with our Code of Conduct – The Way We Work, we follow established procedures and channels in all our dealings, both with tax authorities and government officials, and our engagements with them are professional and honest.

We support the updated Business at OECD (BIAC) Tax Best Practices, which are intended to support responsible business tax management and to enhance co-operation, trust and confidence between tax authorities in developing countries and international business. The Tax Best Practices have been designed to provide an aspirational framework to guide business activities and interactions with tax authorities when setting and delivering their tax strategies and tax governance framework.

We proactively engage with tax authorities as issues, concerns and questions arise and to keep them updated on our business, including through co-operative compliance arrangements. For example, in Australia, throughout 2022, we voluntarily participated in an Annual Compliance Arrangement (ACA) review of our 2021 tax returns with the ATO. The ACA was a voluntary administrative arrangement used to manage an overall compliance relationship with the ATO openly and transparently. Under the ACA, we agreed to disclose material transactions and changes to our business in real time, as they occur. The ATO reviewed our tax returns on an annual basis as part of the ACA. The ACA programme has now been discontinued by the ATO, but we continue to participate in the ATO's Justified Trust programme. This programme provides a level of assurance around the tax treatments we adopt in our Australian filings. In the UK, US and Canada, we participate in relevant large business compliance programmes, and work co-operatively with the examination teams to help them understand our transactions and tax reporting.

Name	Jurisdiction of tax residence	Year of incorporation	Nature of activities
THR OYU TOLGOI LTD.	British Virgin Islands	2000	Holding company – no tax benefit is obtained from this entity.
North IOC (Bermuda) Holdings Limited	Bermuda	1997	Holding company – no tax benefit is obtained from this entity. Entity is under internal review.
North IOC (Bermuda) Limited	Bermuda	1997	Holding company – no tax benefit is obtained from this entity.
QIT Madagascar Minerals ltd	Bermuda	1986	Provides interest-free loan funding to Group operating companies. The funding is in substance equity but is required to have the legal form of debt to avoid diluting the equity rights of host governments pursuant to mine development and investment agreements.

We have a small number of additional entities that are incorporated in tax haven countries, but that are tax resident in either the UK, US or Australia and are therefore subject to taxation at the rates applicable in those jurisdictions.

A list of our subsidiaries can be found in our *2022 Annual Report*.

In the UK we meet periodically with HMRC for a Business Risk Review, and exchange information regarding business activities and transactions proactively and in response to enquiries.

We also aim to help tax authorities understand our industry by participating in consultation processes, and through presentations and hosting site visits, all of which allow the authorities to gain a deeper understanding of our business.

Where there is uncertainty or disagreement in the application of the law, we work with tax authorities to seek clarity or resolve disagreements on a timely basis. In many instances, we approach tax authorities in advance of entering into transactions, in order to seek guidance or confirmation of the tax outcomes by way of a ruling.

Given the size, scale and complexity of our business, from time to time it is inevitable that disagreements with tax authorities will arise. We engage proactively with tax authorities to provide information and support for our tax positions and look for ways to constructively resolve disagreements.

In July 2022, we reached agreement with the Australian Taxation Office (ATO) on all tax matters in dispute. This agreement resolved a disagreement relating to interest on an isolated borrowing used to pay an intra-Group dividend in 2015. Separately, it also resolved the pricing of certain transactions between our entities based in Australia and our commercial centre in Singapore between 2010 and 2021, and it provides certainty for a further five-year period. We also reached agreement with the Inland Revenue Authority of Singapore (IRAS) in relation to transfer pricing for the same periods. These agreements have ensured that we are not subject to double taxation. As part of this agreement, we paid the ATO additional tax of A$613[1] million for the 12 historical years (2010 to 2021). This is in addition to the A$378 million of tax paid in respect of the original amended assessments issued by the ATO. Over the period of the disputes, we paid nearly A$80 billion in tax and royalties in Australia.

In January 2018, the Mongolian tax authority issued tax assessments to Oyu Tolgoi totalling $155 million (USD equivalent at that time) for the 2013-15 tax years. Oyu Tolgoi paid $5 million in January 2018 but disputed the remaining balance. After unsuccessfully attempting to negotiate an outcome to this dispute, the parties jointly agreed to refer the matter to international arbitration for resolution in accordance with the terms of the 2009 Investment Agreement.

In December 2020, the Mongolian tax authority issued further tax assessments totalling $228 million (USD equivalent at that time) in cash tax for the 2016-18 years, and further sought to disallow tax losses of approximately $1.5 billion. The adjustments in this tax assessment reflect similar matters to those raised in the January 2018 assessment and have been added to the existing international arbitration process.

An amount of $356[2] million was paid during 2021 in respect of the disputed January 2018 and December 2020 tax assessments representing the USD equivalent of the assessments at that time. The amounts assessed will be refundable if the matters are resolved in Oyu Tolgoi's favour via the international arbitration process. The disputed taxes paid are in addition to the $1.4 billion of taxes and royalties paid in Mongolia for the years in dispute. In February 2022, the parties agreed to a suspension of the tax arbitration to see if mutual agreement can be reached on the outstanding issues. No resolution has been reached at the date of this report.

Supporting effective tax systems

Stable, competitive, fair and effective tax systems are important to incentivise investment, which, in turn, underpins economic growth and development. The competitiveness of different tax systems can influence investment decisions through the impact on after-tax returns. Stability, fairness and certainty are vital for the significant, long-term investments inherent in our industry. Effective tax systems minimise distortions to business investment decisions and ensure that the mix of taxes supports economic efficiency and growth.

Our Code of Conduct – The Way We Work sets clear standards to uphold our political integrity. As a company, we do not favour any political party, group or individual, or involve ourselves in party political matters. We operate on a politically neutral basis. The Rio Tinto Group does not make any political donations.

The efficiency of tax administration supports effective investment environments and ensures that the taxes we pay benefit the communities in which we operate. These factors are important in both developed and developing countries.

We engage in public policy discussions on issues that are relevant to our business, including by contributing relevant information and sharing experiences that help create viable outcomes.

Accordingly, we engage constructively in national and international dialogue with governments, business groups and civil society organisations to support the development of effective tax systems, legislation and administration. We do this by engaging both directly and via industry associations such as the International Council on Mining & Metals (ICMM), Business at OECD (BIAC), the Minerals Council of Australia (MCA), Business Council of Australia, the Confederation of British Industry (CBI), the Organization for International Investment (OFII), the National Mining Association in the US, the Mining Association of Canada (MAC) and other local taxpayer associations.

We join industry associations where membership provides value to our business, investors and other stakeholders. As part of our commitment to transparency, we publish the principles that guide our participation, the way we engage, as well as a list of the top five memberships by fees paid. This information can be found on our website.

We value a diversity of thoughts and ideas and are open to conversations – including concerns – that can help us improve the way we run our business. This is consistent with our core values of care, courage and curiosity. We recognise the valuable role that civil society organisations can play in supporting and advocating for responsible business conduct, as demonstrated by our adoption of the B Team Responsible Tax Principles and our active participation in supporting the B Team agenda.

We actively promote transparent and responsible tax practices and engage with civil society organisations on initiatives to advance transparency over tax and payments to governments, and our steady progression on disclosures and transparency is directly informed by feedback from our stakeholders around the world.

1. The ATO settlement payment includes A$55 million of interest and A$22 million of penalties. The interest and penalties are not included in the reported Australian tax payments borne on page 12.
2. $236 million of the amounts paid during 2021 in respect of the disputed assessments were included in the tax payment totals in the *2021 Taxes Paid Report*. The remainder was levied as disputed interest and penalties.

Independent Auditor's Report to Rio Tinto plc and Rio Tinto Limited

Report on the Audit of the Selected Information

Opinion

We have audited the Selected Information in the report "Taxes and Royalties Paid Report 2022" ("the Report") of Rio Tinto plc and Rio Tinto Limited (together "Rio Tinto") for the year ended 31 December 2022 which comprises the total payments to governments included in the section of the Report entitled "Analysis by country and level of government" for the following balances:

- Total tax payments borne of $10,779.0 million; and
- Employee payroll taxes of $1,621.8 million;

being together "the Selected Information".

In our opinion, the Selected Information of the Group for the year ended 31 December 2022 is properly prepared, in all material respects, in accordance with the special purpose basis of preparation set out in Appendix 1 to the Report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and the terms of our engagement letter dated 15 December 2022. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC's Ethical Standard as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to Appendix 1 of the Report, which describes the basis of preparation of the Selected Information. As explained in that Appendix, the Selected Information has been prepared in accordance with a special purpose framework to provide its readers an overview of the total payments made by the Group to governments worldwide. As a result, the Selected Information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls. We performed procedures including agreeing a sample of reported tax payments to bank statements and Tax authority acknowledgment.

Identifying and responding to risks of material misstatement due to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Selected Information from our general commercial and sector experience through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Selected Information varies considerably.

Whilst the Group is subject to many laws and regulations, given the nature of the Selected Information and how it is prepared, we did not identify any that directly affect the Selected Information.

The Group is subject to laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Selected Information. We identified the following areas as those most likely to have such an effect: taxation legislation and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Selected Information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Selected Information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

Management are responsible for the other information presented in the Report together with the Selected Information. The other information comprises the whole of the Report except the Selected Information and our auditor's report thereon. Our opinion on the Selected Information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Selected Information audit work, the information therein is materially misstated or inconsistent with the Selected Information or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Management and directors' responsibilities

Management of Rio Tinto are responsible for the preparation of the Report, including the preparation of the Selected Information in accordance with the special purpose basis of preparation in Appendix 1 to the Report; this includes determining that the basis of preparation is an acceptable basis of preparation in the circumstances and for such internal control as management determine is necessary to enable the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

The directors of Rio Tinto are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Selected Information.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities. As the preparation of the Selected Information does not involve an assessment of going concern by management, we have no responsibilities to assess going concern for the purposes of this report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to Rio Tinto, in accordance with the agreed terms of our engagement. Our audit work has been undertaken so that we might state to Rio Tinto those matters we have agreed to state to it in this report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rio Tinto for our audit work, for this report, or for the opinions we have formed.

Jonathan Downer
for and on behalf of KPMG LLP
Chartered Accountants

15 Canada Square,
London,
E14 5GL

3 April 2023

Appendix 1: Basis of preparation

The tax payment information in this report has been prepared on the following basis:

The report gives its readers an overview of the total payments that we made to governments worldwide, underscoring the direct contribution that we make to public finances.

Rio Tinto includes Rio Tinto plc, Rio Tinto Limited and subsidiaries, associates and joint arrangements (throughout this report – "Rio Tinto" or "the Group"). The scope of reporting is described on this page.

- Total payments to governments borne
- Employee payroll taxes
- Taxes refunded

It is the responsibility of the management of our company to ensure that appropriate procedures are in place to prepare reporting in line with, in all material respects, this basis of preparation.

All data, unless otherwise stated, are prepared for the year from 1 January to 31 December 2022. Data as they relate to taxes paid, collected or refunded, are included when cash is released from, or received by, our company.

Data are prepared based on a 100% basis for all operations in which we have a controlling interest, and on our share where we do not have a controlling interest.

Where an acquisition is completed in the year, or a company is newly consolidated in the year, the numbers relating to that business are included from the date of acquisition; where a disposal has been completed in the year, the numbers relating to that disposal have been included up to the point of disposal.

In addition to the above, where full information for non-controlled and divested entities' tax payments, consistent with the basis of preparation, has not been available, no information on the tax payments, collections or refunds for that business is reported (none in 2022).

Restatements

The measuring and reporting of the data may in some circumstances involve a degree of estimation. In exceptional circumstances, restatements of prior year reported data may be required; this will be determined on a case-by-case basis (none in 2022).

Scope and methodology of reporting

Reporting currency

All payments to governments have been reported in US dollars unless indicated otherwise. Where the functional currency of a Group entity is not US dollars, reportable payments are translated from the functional currency to US dollars at the average exchange rate for the year.

Organisational reporting boundaries

The "Analysis by country and level of government" section of the report sets out taxes paid by our business units to governments in the countries in which they operate, organised by country and named level of government.

Countries where taxes paid in the year are less than $0.1 million are excluded from reporting. Taxes are reported at a named local, regional and national level for each government to which one of our business units has paid taxes greater than $0.1 million in 2022.

Analysis by project

The report also includes an analysis of our taxes paid by project. Where payments are not directly referable to a specific extractive project, they are included in aggregate as "non-extractive project-related payments". Payments that are related to corporate head office, commercial, financing and managed operations are not attributed to a specific project. Project amounts include payments/refunds between entities within tax groups where the final payments to government are paid by the head/representative entity on behalf of the tax group. Where project-related payments have been made, the amount paid is included by project to the nearest $0.1 million.

Scope of data reporting

The scope of the data reporting is described in each definition below.

"Tax" in this report means any amount of money required to be paid to, or repaid by, a government. In overview, the key information shown is as follows:

Payments to governments borne

These are the taxes that we are obliged to pay to a government on our behalf, or taxes that we are obliged to pay to a third party and that cannot be recovered from a government. The main taxes we have included in this category are:

Corporate income tax

This comprises any tax on the business calculated on the basis of its profits, including resource rent taxes, income or capital gains together with withholding taxes on payments of dividends or other distributions of profits. Typically, these taxes would be reflected in corporate income tax returns made to governments, and tend to become payable, and are paid, either in the year the profits were made or distributed, or up to one year later, depending on local tax rules.

Government royalties

This comprises payments made to governments in the form of royalties and resource rents (non-profits based), for example for the extraction of minerals or metals. Typically, these taxes tend to become payable, and are paid, in the year to which they relate. These form part of operating costs.

Fees, dividends and other extractive-related payments

This comprises other payments required as a result of extractive industry projects that typically arise as a result of contractual obligations in relation to the extraction of minerals or metals. Typically, these taxes become payable, and are paid, in the year to which they relate, though in the case of infrastructure improvements, the payments (none in 2022) will be reported when the infrastructure improvements are handed over to the government. These form part of operating costs.

Employer payroll taxes

This comprises payroll and employer taxes payable as a result of a company's capacity as an employer. Typically, these taxes would be reflected in payroll tax returns made to governments and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year, shortly after the submission of the return. These usually form part of operating costs.

Other taxes and payments

The "Other taxes and payments" column of the table in the "Analysis by country and level of government" and "Tax and other payments to governments made on a project-by-project basis" sections of the report includes:

Property taxes

This comprises any property-related taxes, including real property/land/estate tax (other than stamp duty, which is described below). Typically, these taxes tend to become payable and are paid to governments throughout the year. These form part of operating costs.

Customs duties

This comprises all customs/excise/import and export duties. Typically, these taxes tend to become payable and are paid to governments at the point where goods are imported and exported from territories. These form part of operating costs.

Stamp duty

This comprises taxes that arise on transfers of assets or capital. Typically, these taxes would be reflected in stamp duty returns made to governments and tend to become payable and are paid to governments shortly after capital or assets are transferred. These form part of operating costs.

Irrecoverable indirect taxes

Typically, a business can reclaim indirect taxes such as VAT or GST against the GST or VAT on the sales it makes. However, in some circumstances a business may have non-recoverable VAT or GST costs, where offset is not available or permitted. These form part of operating costs.

Environmental taxes

This comprises any carbon taxes or other payments to governments relating to government environmental policy. Typically, these taxes tend to be payable and are paid on production.

Government grant receipts

These are grants received by company business units from governments, other than those given effect through corporate income tax legislation. Government grant receipts are often conditional on specific activity by the recipient business. Government grants may be either capital in nature (for example, linked to specific assets) or income in nature.

Any other categories of payments to governments that we have paid not described in this section are reported in the "Other taxes and payments" column of the table in the "Analysis by country and level of government" and "Tax and other payments to governments made on a project-by-project basis" sections of the report.

Employee payroll taxes collected

This comprises payroll and employee taxes withheld from employee remuneration, and paid to governments, for example tax that we have collected and remitted to governments on behalf of employees. Typically, these taxes would be reflected in payroll tax returns made to governments and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year, shortly after the submission of the return.

Net taxes refunded

Taxes refunded reported in the footnotes to the table of the "Analysis by country and level of government" section of the report are as follows:

Sales taxes/VAT/GST/excise duties

This comprises net amounts refunded from governments that a company has paid on its supplies, for example on raw materials, and is entitled to recover. Such a refund does not result in a net cost to governments. Typically, these taxes become repayable and are repaid by governments regularly (often quarterly) throughout the year, shortly after the submission of the sales tax returns.

Withholding taxes collected from suppliers

This comprises taxes that are required to be withheld in advance on payments made to suppliers. Typically, these taxes would be reflected in income tax returns made to governments and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year, shortly after the submission of the return.

Appendix 2: Glossary of terms

Corporate income tax

All taxes that are levied on the taxable profits of a corporate entity.

Current tax

The corporate income tax due in respect of taxable profits of an accounting period, as defined in the International Financial Reporting Standard IAS 12.

Deferred tax

The corporate income tax due in respect of temporary differences between accounting values and tax bases, as defined in the International Financial Reporting Standard IAS 12.

Effective corporate income tax rate

The corporate income tax charge in a given accounting period divided by the accounting profit before tax.

Effective income tax and royalty rate

The corporate income tax charge plus royalty charge in a given accounting period divided by the accounting profit before tax and royalties.

Government

Any governing body of a nation, state, region or district, excluding any commercial enterprises or financial institutions that are wholly or partially government-owned.

Indirect tax

Taxes imposed on goods and services rather than on income or profits. Examples include VAT, GST, sales tax, excise duties, stamp duty, services tax, registration duty.

Project

In accordance with UK Regulations, "project" means the operational activities that are governed by a single contract, licence, lease or concession and form the basis for payment of liabilities with a government.
Where such agreements are substantially interconnected, ie are operationally and geographically integrated with substantially similar terms, they are treated as a project.

Profit before tax

Accounting profit for a period before deducting a charge for corporate income taxes.

Rio Tinto/the Group/Rio Tinto Group

Rio Tinto plc, Rio Tinto Limited and their subsidiaries, associates and joint arrangements.

Tax

Any amount of money required to be paid to a government, whether by law or by agreement, including without limitation corporate income tax, government royalties, licence fees, permitting fees, property taxes, dividends (where the payment is related to extractive activities), employment taxes, sales taxes, stamp duties and any other required payments. Fines and penalties are not included.

Tax borne

Tax that a person or company is obliged to pay to a government, directly or indirectly, on their own behalf.

Tax charge

The amount of corporate income tax included in the income statement of a company for an accounting period.

Tax collected

Tax that a person is obliged to pay to a government on behalf of another person.

The report

Taxes and Royalties Paid Report 2022.

Underlying earnings and pre-tax underlying earnings

"Underlying earnings" is defined in the Alternative Performance Measures section of the *2022 Annual Report* on page 274 as being the net earnings attributable to the owners of Rio Tinto, adjusted to exclude items that do not reflect the underlying performance of the Group's operations.

For the purposes of this report, "pre-tax underlying earnings" means the underlying earnings before corporate income tax and before adjustment for minority interests. Unless otherwise stated, pre-tax underlying earnings exclude the results of equity accounted units.

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