Group Tax Policy

**Document purpose:**
The Group Tax Policy covers the fundamental principles that govern the Group's tax management practices and how they support the Group's strategy.
Rio Tinto Tax Policy

The Group has established a Group Tax Policy (“the Policy”) governing its tax strategy, which is reviewed and approved by the Board on an annual basis.

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 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 is 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).

Dealsings 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 business 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 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.