

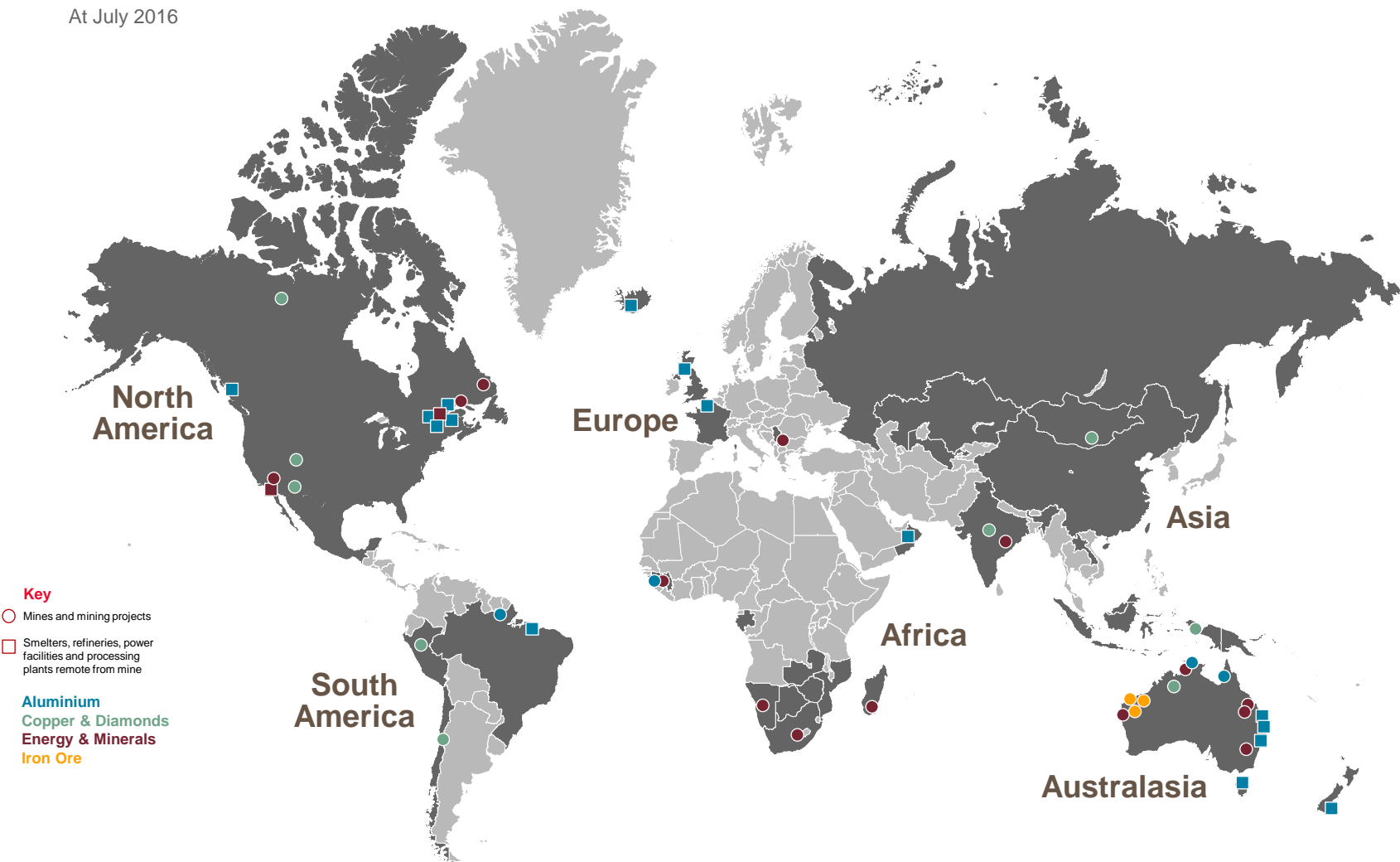
The Benefits of Transparency – Rio Tinto's Experience

CONNEX International Conference on Capacity Building and Transparency
Special Session: Efforts to Improve Transparency
15 September 2016



Where we operate

At July 2016



Our business

Aluminium



Energy & Minerals



Copper & Diamonds



Iron Ore



Growth & Innovation



4 Product Groups
+
1 Business Support Group

Long, multifaceted relationship with Japan



Earning our license to operate



Our Taxes Paid report

riointo.com/taxespaidin2015

RioTinto

Taxes paid in 2015

A report on the economic contribution made by Rio Tinto to public finances



Rio Tinto 2015 Taxes paid report

\$4.5b

paid in taxes and royalties in 2015

\$47.3b

paid in taxes and royalties since 2010



29.9%

average tax rate on underlying earnings over past five years



Transparency and the mining life cycle

Taxes paid in 2015

6 Payments to governments and the mining life cycle

Payments to governments vary over time depending on a project's or operation's stage in the mining life cycle

The types and total value of payments to governments made in respect of a mining project vary over time depending on the phase of the mining life cycle the project is at:



Case study

Escondida and Oyu Tolgoi are copper operations in Chile and Mongolia respectively. These operations' payments to governments over the period from 2011 to 2015 are summarised in the charts below.

Escondida

Rio Tinto has a 30% interest in Escondida, where mine construction started in the late 1980's and production began in 1990.

As a long established mining operation, Escondida pays corporate income taxes including royalty related income taxes. The corporate income taxes paid are subject to fluctuations in operating profit, which is significantly impacted by commodity price volatility.

Oyu Tolgoi

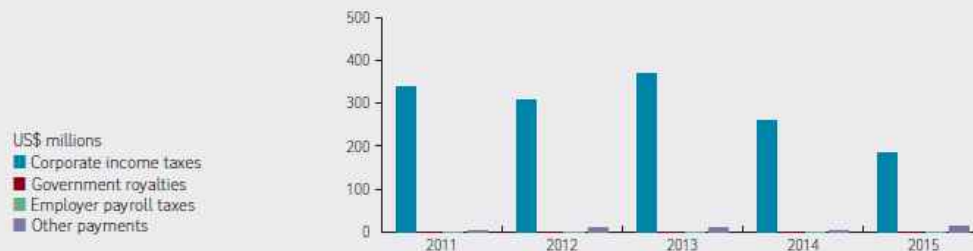
Oyu Tolgoi has been operating since 2013. During the construction phase, Oyu Tolgoi made significant other payments to government (including customs duties and irrecoverable indirect taxes).

Payments of government royalties began with the commencement of operations in 2013.

Corporate income taxes paid in Mongolia is withholding tax on loan interest. The other payments in Mongolia in the chart below include tax prepayments by Oyu Tolgoi of US\$100 million in 2011.

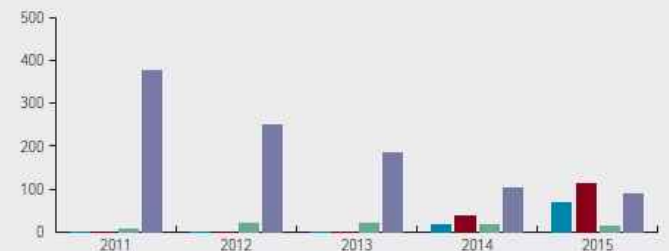
Escondida

Payments to governments in Chile (Rio Tinto 30%)



Oyu Tolgoi

Payments to governments in Mongolia



Disclosure of contracts

Oyu Tolgoi

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Investment Agreement

The Oyu Tolgoi Investment Agreement was signed on 6 October 2009 and is the agreement which underpins the investment needed to build and develop the mine.

The Investment Agreement sets out the rights and expectations of both the investors and the Government of Mongolia. It also sets stringent standards for how Oyu Tolgoi must manage the impact of the mine on the environment and local culture and communities, as well as commits the company to substantial investments in the Mongolian education system.

[Read the Investment Agreement in full](#)

[Investment Agreement summary](#)

About Us

- Our Company
- Oyu Tolgoi Shareholders
- Oyu Tolgoi 1957-2009
- History
- Scorecard
- Investment Agreement**
- Management Team
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- CEO Team
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INVESTMENT AGREEMENT
BETWEEN
THE GOVERNMENT OF MONGOLIA
AND
IVANHOE MINES MONGOLIA INC LLC
AND
IVANHOE MINES LTD
AND
RIO TINTO INTERNATIONAL HOLDINGS LIMITED

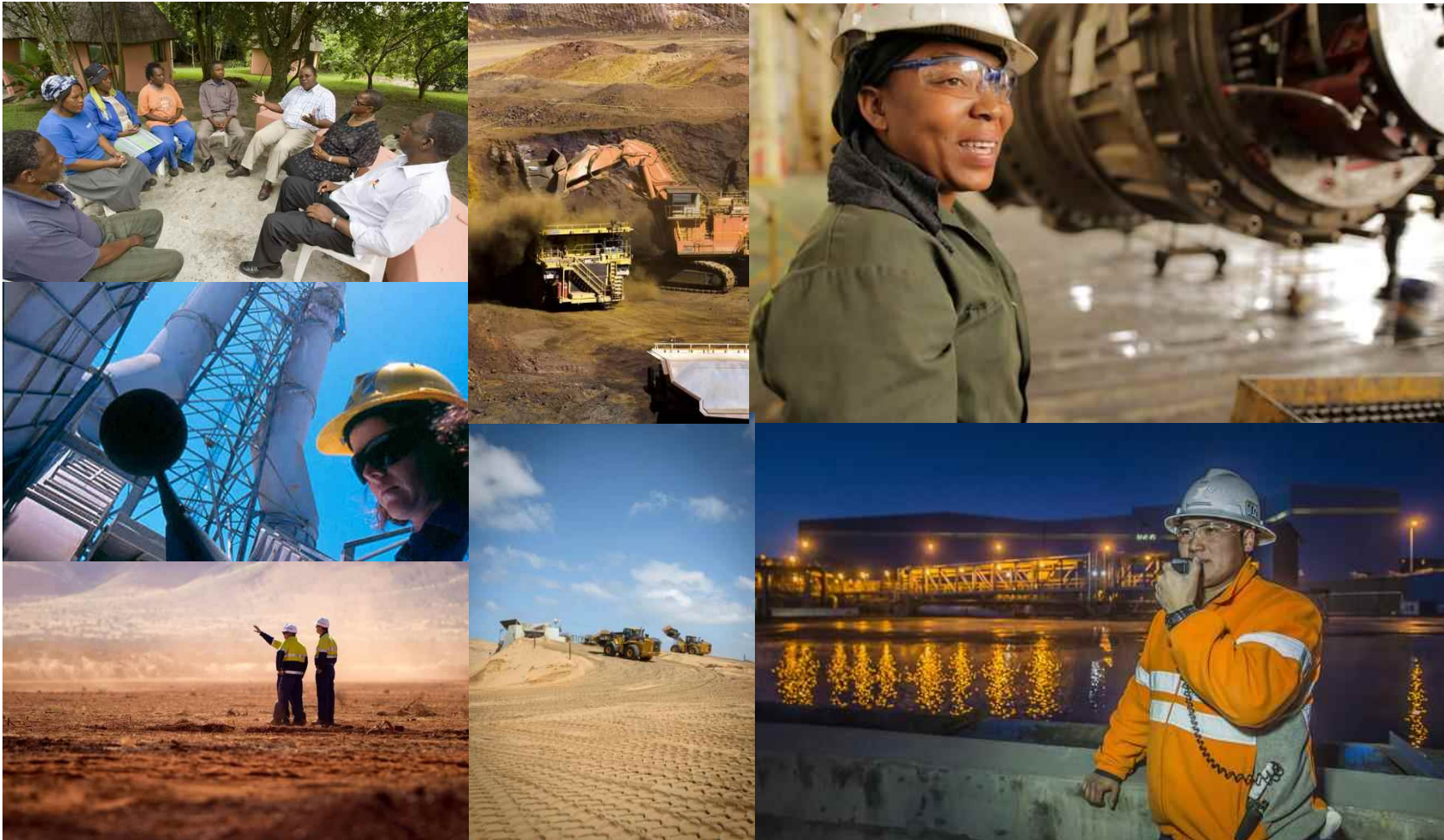
The EITI as a two-way street



Benefits for generations to come



Partnership through transparency



The Benefits of Transparency – Rio Tinto's Experience

