

# RioTinto

December 2011  
[www.procurement.riotinto.com](http://www.procurement.riotinto.com)

## Procurement principles



Dear colleagues and partners

*Procurement principles*

Rio Tinto's reputation for acting responsibly plays a critical role in our success as a business and our ability to generate shareholder value.

As a Procurement function we take that responsibility seriously at each stage of our process from warehouse staff or sourcing specialists to our leadership team. We expect our suppliers to do the same.

Our *Procurement principles* reflect Rio Tinto's four core values: Accountability, Respect, Teamwork and Integrity. They outline the way we want to operate in partnership with our customers and suppliers. They also capture our expectations of each employee and contractor.

We have produced this document to reflect the transparency we expect in all procurement related activities for Rio Tinto, by all key stakeholders. It's also an opportunity for us to communicate the principles that guide our ideal behaviour as an organisation. It supersedes *The way we buy* and reflects the principles outlined in Rio Tinto's global code of business conduct *The way we work*.

Please take time to read and understand Rio Tinto *Procurement principles* and use it as a continual reference in your work.



Scott Singer  
*Head of Global Business Services*  
December 2011

## Rio Tinto

Rio Tinto is a leading global business delivering value at each stage of mineral and metal production. The Group combines Rio Tinto plc, a public company listed on the London and New York stock exchanges, and Rio Tinto Limited, which is listed on the Australian Securities Exchange. Our well established strategy, our single set of standards and values and our diverse portfolio of quality assets position us for growth on a global scale.

As we work to achieve our vision of becoming the sector leading global mining and metals company, we will maximise shareholder return by sustainably finding, developing, mining and processing natural resources. We will do this through a strategy of investing in and operating large, long term, cost competitive mines and businesses, driven not by choice of commodity but by the quality of each opportunity.

Our major products are aluminium, copper, diamonds, iron ore, coal, uranium, gold and industrial minerals (including borates, titanium dioxide and salt). The majority of our operations are in Australia and North America, but we also have businesses in South America, Europe, southern Africa and Asia.

Our focus on sustainable development provides the framework in which our business operates. Our commitment to the health, safety and prosperity of our people is at the heart of our operations. So is our determination to maintain the environmental integrity of what we do. We work closely with host countries and communities, respecting their laws and customs and ensuring a fair share of benefits and opportunities.

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## Rio Tinto *Procurement principles*

**Rio Tinto *Procurement principles* is our global statement of business conduct as it relates to the Procurement function. This document outlines:**

- the role of the Procurement function within the Rio Tinto Group and the way we want to operate;
- the expectations and commitments between Procurement and its internal customers;
- the expectations between Procurement and suppliers; and
- Rio Tinto's expectations of Rio Tinto employees and contractors.

Rio Tinto *Procurement principles* is owned by the Procurement function of Rio Tinto and covers the full scope of the procurement cycle including:

- obtaining global and local sources of supply and initiating requests for goods and services;
- obtaining quotations covering price and availability from suppliers;
- placing orders for goods or services;
- receiving and accepting the goods and services; and
- authorising payments to suppliers.

Rio Tinto *Procurement principles* has been written to ensure that all procurement related activities are conducted with transparency and are understood by all key stakeholders. This document complements the internal Rio Tinto Group Procurement policy.

Rio Tinto *Procurement principles* is intended to have broad application across all of the Rio Tinto Group and apply to the Procurement function as well as individual businesses in the acquisition of goods and/or services.

## Application of Rio Tinto *Procurement principles*

### Who does it apply to?

**This document applies to all employees of the Rio Tinto Group businesses as well as suppliers and contractors.**

In association with *The way we work*, any individual, group or company who engages in procurement related business with, or on behalf of, Rio Tinto is expected to comply with *Rio Tinto Procurement principles* in all aspects of their engagement. This includes employees who are not engaged in the Procurement function but who are required to carry out procurement activities to source goods and services on behalf of a specific Rio Tinto Group business.

Our expectations of compliance with *Rio Tinto Procurement principles* are universal. Therefore, we expect every effort to be made to ensure that the standards of conduct outlined in this document are respected in all business engagements, including dealings with joint venture partners and non-controlled companies, in which Rio Tinto participates.

Throughout *Rio Tinto Procurement principles*, the term “company”, “Group”, “Rio Tinto”, or “Rio Tinto Group” refers to Rio Tinto plc and Rio Tinto Limited and any subsidiaries, related companies or other legal entities in which Rio Tinto plc and/or Rio Tinto Limited hold a controlling interest.

Breaches of the law, *Rio Tinto Procurement principles* and *The way we work* may result in disciplinary action, and in the case of a consultant, agent, contractor or supplier, may see their contract terminated or not renewed.

*Rio Tinto Procurement principles* and our global code of business conduct *The way we work* are available to download and print from [www.riotinto.com/library](http://www.riotinto.com/library)

### Conditions of employment

All Rio Tinto personnel are governed by the terms and conditions of employment as agreed with Rio Tinto. Nothing in this document detracts from those terms and conditions.

### Disclaimer

The policies and procedures referred to in *Rio Tinto Procurement principles* are internal to the Rio Tinto Group and neither Procurement nor any Rio Tinto Group business will be required to disclose any documents it elects to withhold from any external party.

*Rio Tinto Procurement principles* are a guide and are not legally binding on Rio Tinto. They are not intended to create any contractual obligations or rights. Rio Tinto reserves the right to interpret its policies and to vary its procedures (including *Rio Tinto Procurement principles*) when it determines appropriate. Rio Tinto may at its sole discretion change, make exceptions to, or discontinue any of the principles in this document at any time, and without advance notice.

*Procurement's internal customers include all Rio Tinto Group businesses committing external expenditures on behalf of Rio Tinto.*

## The role of Rio Tinto's Procurement function

**Procurement is an internal function within Rio Tinto and our focus is to increase shareholder value by exercising our procurement expertise and leveraging Group scale.**

We provide Procurement services that deliver value to the Rio Tinto Group through the global and regional strategic sourcing and buying of goods and services for Rio Tinto operations. We are also responsible for managing the inbound supply chain.

Our role is to ensure the right goods and services are delivered, safely, to the right location at the right time. Our focus is on achieving a competitive Total Cost of Ownership (TCO) for our customers.

We collaborate with our internal customers and other functions within Rio Tinto to align strategies, operational plans and continuous improvement initiatives. We are accountable for ensuring the supply chain operates safely and efficiently. We aim to deliver long term value for our customers through leveraging supplier relationships and effective contract management.

We proactively manage and develop a capable and commercially secure supply base. We also focus on assisting the Rio Tinto Group to achieve its sustainable development goals through the support of this supply base.

- We are the owner, architect and custodian of the purchase-to-pay process, which is managed through the enterprise resource planning (ERP) system and other best of breed solutions.
- All commitments for goods and services must be made through our authorised systems and using our processes.
- We operate the procurement process using specifications and evaluation criteria provided by our customers. The customer makes the award decision and provides us with authorisation for the expenditure.
- We process all authorised purchase and service requisitions on behalf of our internal customers and manage the data files required to support these activities including supplier information, price files and catalogue data.
- We are engaged in the development of procurement strategies for capital projects, including considering how Group synergies and expertise can be effectively utilised.
- In consultation with internal customers, we implement and manage inbound logistics and supply chain processes.
- All current and potential suppliers to Rio Tinto are expected to engage with the Group through Rio Tinto Procurement.

## How we work with our internal customers

**Rio Tinto Procurement's internal customers are all Rio Tinto's Group businesses. To enable Procurement to operate on behalf of our customers, a number of supporting practices and conditions apply.**

**An overriding principle of everything we do is our focus on zero harm for safety, health & environment objectives. Refer to page 14 for more detail.**

### Governance

- Our commitment of customer funds is authorised, performed and recorded in line with proper commercial practice and endorsed by the relevant business unit or function financial authorities.
- We comply with Rio Tinto Group and relevant customer-specific policies and standards.
- A supplier can only commence work after they have received a valid purchase order.
- We measure and report procurement performance for all customers on a regular basis. We take action where required to correct and improve performance to meet customer expectations.
- We competitively test material commitments to ensure that Rio Tinto obtains the best value available considering all relevant factors including safety, quality, sustainability, delivery, specification, price, environmental and community impact and sustainable development.

### Sourcing

The Rio Tinto Group *Procurement policy* establishes the minimum requirements for the sourcing of goods and services by Rio Tinto.

### Procurement's responsibilities

As part of this policy we uphold the following:

- We consult with customers to understand their needs and desired outcomes, to develop sourcing strategies appropriate to the goods or services being procured.
- We develop strategies that meet short term business requirements and longer term strategic outlooks.
- We engage service providers through one-off transactions, multi-year agreements or long term strategic arrangements.
- We engage with suppliers after consulting with customers to develop an appropriate sourcing strategy which we take to market.
- Based on supplier responses, we initiate and negotiate supply contracts on behalf of Rio Tinto Group business units and / or functions.
- We adopt a uniform procedure for the supplier contract process and provide standard terms of contract where possible.
- We manage the commercial relationship with suppliers including contract management and administration activity.

## How we work with our internal customers (continued)

- As part of the contract management and administration function, where applicable, we:
  - initiate supplier meetings and price reviews;
  - monitor and update pricing indices relevant to the contract;
  - review supplier performance at contract review intervals;
  - collect and maintain insurance certificates;
  - manage the contract expiry; and
  - maintain a database of contracts.

### Our customers' responsibilities

To assist with the sourcing process, our internal customers provide us:

- sufficient lead times that allow for an orderly procurement process;
- complete and comprehensive specifications and scopes of work that include local sourcing and other sustainable development considerations;
- a documented risk analysis associated with the development of any new contract;
- a list of suppliers for inclusion (Procurement will invite additional prospective suppliers to participate where appropriate);
- a completed and approved "Sole Source Exception Request" in situations where competitive testing is not performed;
- any customer-specific terms including health, safety, environmental standards or local requirements for suppliers;

- defined contract award criteria; and
- timely invoice approval and receipting activities to allow for on-time payment.

The customer is also accountable for overseeing the execution of onsite services. This includes:

- monitoring and managing contractor and employee health and safety;
- monitoring and managing environmental and community impacts;
- auditing and approving hours worked, costs, results and project completion.

### Buying

#### Inventory items

For items in inventory suppliers will typically be pre-contracted, with replenishment orders automatically generated by the enterprise resource planning (ERP) system based on required inventory levels. Group business personnel are required to raise a reservation in the business ERP system for these items to be replenished.

#### Services and non-inventory items

Services and non-inventory items may be catalogued.

Services and non-inventory items require the customer to initiate a purchase requisition. Rio Tinto Procurement then sources the item and generates a purchase order. Rio Tinto Procurement can track the purchase order to ensure the supplier adheres to the timelines and quantities specified.

### Inbound supply chain

Inbound supply chain supports the purchase-to-pay process.

We achieve effective inbound supply chain management by coordinating the stakeholders involved in operational planning, sourcing, supplier engagement, and the management of warehouses, inventory, transportation, disposals, offsite repairs and master data.

Where appropriate Procurement is responsible for:

- defining appropriate supply chain standards for Rio Tinto operations;
- measuring and reporting supply chain performance;
- audits on warehousing and inventory management standards and processes;
- providing Total Cost of Ownership (TCO) advice to quantify supply chain options;
- providing risk assessments of supply chain capabilities by region, business unit or category;
- sponsoring supply chain improvement initiatives; and
- managing outsourced warehouses and logistics providers.

### Asset management strategies

In conjunction with the Technology & Innovation Group business we also help our internal customers develop asset management strategies that can be supported by the supply chain.

In return, customers will forecast and provide Rio Tinto Procurement with prior notice of material changes to consumption requirements.

### Risk management

Rio Tinto's Procurement function is responsible for significant levels of expenditure and the management of critical operational functions.

We work with relevant Rio Tinto Group businesses to develop and deploy appropriate strategies to manage risk with respect to, but not limited to price, security of supply and contractual terms.

## How we work with our suppliers

**Safe, efficient and innovative suppliers are strategically important to the success of Rio Tinto. In the interests of a fair and competitive marketplace we apply the same evaluation and selection process to all prospective suppliers.**

Rio Tinto expects that all suppliers:

- align with our business objectives including
  - aiming to achieve zero injuries and zero fatalities in the workplace
  - enhancing value
  - increasing operating and/or energy efficiency
  - reducing and/or eliminating waste
  - reducing Total Cost of Ownership for our customers;
- are financially secure;
- are the direct manufacturer of goods, or an authorised agent/distributor;
- are able to transact business electronically (exceptions can be granted to local community suppliers where suitable infrastructure is not in place);
- have competent personnel to support the goods and/or services supplied;
- maintain appropriate HSE and quality assurance systems and processes;
- agree to supply on the basis of Rio Tinto's terms and conditions; and
- maintain policies that support fair competition and integrity, require adherence to applicable laws, standards and regulations and prohibit giving or receiving bribes, with a process for ensuring compliance.

We value suppliers who match our commitment to a sustainable supply chain, with a focus on safety, economic prosperity, social wellbeing, environmental stewardship and strong governance.

We recognise that significant socio-economic benefits can be achieved through sourcing products and services locally. We are committed to working with indigenous and other local community suppliers to ensure that they have opportunities to supply Rio Tinto operations. For further details see page 16.

Suppliers can expect Rio Tinto Procurement to fully leverage their capabilities to:

- provide security of supply and protect the Group from commercial risk;
- generate supply chain innovation; and
- promote sustainable supply.

### Supplier qualification

Qualification of suppliers is critical to ensuring the health and safety of people, minimal impact to the environment, and the quality of goods and services delivered to our customers.

Supplier qualification involves obtaining sufficient evidence to ensure a supplier meets or exceeds the minimum standard to supply goods and services to Rio Tinto. This could include, without limitation, assessment of the following areas: HSE; quality management and continuous improvement; financial strength; ethics and communities development; HR management; services and references and; legal and information security.

Prior to commencing work all suppliers entering a Rio Tinto site will need to be appropriately qualified and will be required to be inducted in accordance with the site's requirements.

### E-commerce

Rio Tinto is committed to an e-commerce strategy that includes automation of the purchase-to-pay process and the transmission of purchase orders, invoices and related transaction documents through a common, internet-based, procurement framework. Suppliers are encouraged to be able to conduct business with Rio Tinto in this manner.

We recognise the need to develop local solutions in the event that infrastructure is constrained in some remote communities. In such cases priority will be given to sustainable development policies.

### Responding to tenders

Rio Tinto Procurement considers electronic tools and marketplaces integral to the way we interact with suppliers. We actively use these tools in our daily business activities, including the tendering process.

We typically invite bids from prospective suppliers who are deemed by Rio Tinto to have the potential to meet award criteria and who are pre-qualified.

When prospective suppliers are invited to respond to a tender, they are required to register on Rio Tinto's online procurement system. This registration process enables access to:

- the form of contract or other terms and conditions on which their bids will be based;
- the applicable business requirements and specifications and standards for the relevant goods or services; and
- instructions on the tendering process.

We are committed to protecting the confidentiality of supplier information and to ensuring that a fair and consistent process is applied to all suppliers.

### Emerging markets

In order to deliver additional value to our customers Procurement actively engages in an emerging markets sourcing strategy.

By working with emerging supply markets we seek to develop a more extensive supply base enabling innovative and value adding category management strategies.

It is important to note that all emerging markets suppliers will be held accountable to the same HSE, governance and corporate social responsibility standards as those in traditional markets. Emerging markets suppliers will be required to meet the same qualification requirements as all suppliers.

### Awarding of contracts

Rio Tinto Procurement, in consultation with the relevant internal customer, will consider a variety of factors in deciding which bid, if any, will be accepted, or whether all bids will be rejected.

## How we work with our suppliers (continued)

Awards will only be made to suppliers who are able to:

- meet Rio Tinto's HSE standards;
- comply with all bidding requirements;
- meet the internal customer's stated needs and required standards;
- make the best bid in reference to the relevant selection criteria; and
- meet the values articulated in this document and Rio Tinto's global code of business conduct *The way we work*.

We value suppliers who are prepared to work collaboratively with Rio Tinto on opportunities for value creation, developing a capable and commercially secure supply base and helping us achieve our sustainable development goals.

### Purchase orders

Goods or services must only be supplied when a valid purchase order number has been issued by the Group business to the supplier.

Rio Tinto reserves the right to refuse payment to suppliers unless a valid and complete invoice is provided that includes reference to the applicable purchase order.

We recognise in some locations the infrastructure may not be sufficient to enable the use of our ERP system and formal purchase order process. In such locations alternative arrangements apply at the discretion of the business unit.

### Service expectations

Suppliers are expected to ensure that goods and services are supplied in full and on time according to specifications. All material order lines are expected to be delivered complete by the due date.

Without limiting their contractual obligations, suppliers are expected to advise Procurement as soon as is practical if there will be any variance to committed delivery times, quantities, or locations.

### Payment

Following satisfaction of purchase order and service expectation requirements, payment will be remitted no later than the next scheduled payment run following the invoice due date.

### Contract reviews

During the life of a contract suppliers may be requested to meet on a periodic basis with representatives from the relevant Rio Tinto Group business and Rio Tinto Procurement. The purpose of such meetings may include reviewing the performance of the contract, examining future improvement opportunities and/or following up on any outstanding contract issues.

The supplier is expected to have an appropriate level of representation attend these meetings.

### Use of our name, logo and trademarks by suppliers

Except as required by any applicable law, or otherwise permitted by a contract, suppliers or potential suppliers are not permitted to use the name, logo or trademarks of any member of the Rio Tinto Group or to make any public announcements or disclosures in relation to the subject matter of their contract, or their dealings with any member of the Rio Tinto Group without the relevant company's prior written consent.

## Our workplace

**The following information should be read in conjunction with Rio Tinto's global code of business conduct, *The way we work*, which provides details of our commitments and supporting references as well as expectations of employee behaviour.**

### Safety

We are committed to an incident and injury free workplace. Our goal is zero harm.

Full and consistent implementation of Rio Tinto's safety standards, systems, and procedures is required wherever we operate. Everyone's behaviour contributes to an incident and injury free workplace.

### What we expect from our suppliers

We expect an equal commitment to health and safety from the businesses we work with. As a minimum, we require our suppliers to comply with all safety requirements of the Rio Tinto Group businesses they work with.

We value suppliers who:

- manage and communicate product health and safety risks;
- maintain an organisational commitment to health and safety management and the elimination of workplace injuries and illnesses; and
- have a process for assuring compliance with safety policies, both internally and externally, including regular audits, reviews, and safety reports.

We expect our suppliers will refer to *The way we work* for further detail on Rio Tinto's safety commitment and supporting references.

### Drugs and alcohol impairment

We must not possess or consume illegal drugs, or be impaired by alcohol or drugs while working on Rio Tinto business or premises.

### What we expect from our suppliers

Suppliers will be required to comply with Rio Tinto standards on drug and alcohol impairment while working on Rio Tinto business or premises.

We expect suppliers to refer to *The way we work* for further detail and supporting references.

### Health

We are committed to protecting the health and wellbeing of the people who work with us.

### What we expect from our suppliers

We expect suppliers to maintain compliance with all health requirements of relevant Rio Tinto Group businesses. We also expect suppliers to demonstrate commitment to responsible health management programmes and the elimination of workplace illness.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

## Our workplace (continued)

### Employment

We respect the rights and dignity of employees throughout our own operations and those of our business partners.

We require safe and effective working relationships at all levels throughout Rio Tinto as outlined in *The way we work*.

If employees or contractors wish to raise serious issues or bring inappropriate behaviour to attention they are encouraged to use the *Speak-OUT* programme. Information on *Speak-OUT*, including local contact telephone numbers, is available at all Rio Tinto work locations.

### What we expect from our suppliers

We require our suppliers to adhere to applicable laws, standards and regulations. We oppose and prohibit employment of forced, bonded or child labour. We value suppliers who adopt policies similar to Rio Tinto's, and who are free of material violation.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

## Environment, sustainable development and human rights

The following information should be read in conjunction with Rio Tinto's global code of business conduct, *The way we work*, which provides details of our commitments with supporting references and expectations of employees.

### Environment

Excellence in environmental performance and product stewardship is essential to our business success.

We manage environmental risks through Group wide standards, strategies, targets and systems.

### What we expect from our suppliers

Compliance with all environmental requirements of relevant Rio Tinto Group businesses units is mandatory. As a minimum, we expect our suppliers to maintain a strong commitment to:

- responsible environmental management;
- elimination of environmental incidents;
- waste minimisation;
- responsible resource utilisation;
- product stewardship;
- reducing climate change impacts including greenhouse gases;
- a precautionary approach to environmental challenges;
- promotion of greater environmental responsibility and the development and diffusion of environmentally friendly technologies;

- managing and protecting biodiversity; and
- sustainable water management.

We value a consistent record of compliance and remediation of disturbances on the environment.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Sustainable development

We are committed to a sustainable supply chain, with a focus on safety, economic prosperity, social wellbeing, environmental stewardship and strong governance.

When we refer to sustainable development at Rio Tinto we mean meeting the needs of the present without compromising the needs of the future; developing and encouraging sound policy and principles within our operations, as well as the local and global communities we interact with, to ensure that everything we do will lead to a better future for all.

We expect our employees and suppliers to make informed choices and adapt their sourcing, buying and logistics approach where necessary, to support community strategies set by our internal customers.

This approach provides us the opportunity to:

- better analyse and manage risks;
- create business options for Rio Tinto, its suppliers and customers;
- reduce costs;

## Environment, sustainable development and human rights (continued)

- attract, train and develop the best employees;
- gain access to new markets and resources;
- deliver better products to our customers;
- encourage a genuine respect for indigenous people, their language, culture, goals and aspirations; and
- contribute to the long term prosperity of the communities in which we operate.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Local and indigenous suppliers

We recognise that significant socio-economic benefits can be achieved through sourcing products and services locally. We are committed to evaluating local supply options as part of our sourcing strategy.

We also encourage our suppliers to collaborate with us to achieve our sustainable development objectives through initiatives such as:

- skills transference;
- mentorship programmes; and
- business advisory services.

### What we expect from our suppliers

We expect suppliers to comply with relevant country laws and business unit requirements. We value suppliers whose practices demonstrate commitment to sustainable

development principles and that help Rio Tinto achieve sustainable development objectives.

We require our suppliers to be committed to environmental standards and responsible, productive community relationships. We value suppliers whose business relationships will have a positive and enduring effect on the communities in which we operate.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Human rights

We support and respect human rights consistent with the Universal Declaration of Human Rights, and actively seek to ensure we are not complicit in human rights abuses committed by others.

### What we expect from our suppliers

We expect our suppliers to maintain policies that respect basic human rights and dignity, without distinction on any basis, including the rights to life, liberty, and security of person, freedom from slavery and cruelty, and equal protection under relevant laws and constitutions. We expect our suppliers to have a process to assure compliance.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

## Business integrity

**Procurement's stance on business integrity should be read in conjunction with Rio Tinto's global code of business conduct, *The way we work*, which provides details of our commitments and supporting references.**

### Competition and antitrust

Rio Tinto is committed to the principles of free and fair competition.

Employees and contractors are expected to speak to a Rio Tinto Group lawyer if they are in doubt about the appropriate action to take.

Refer to *The way we work* and the Rio Tinto *Anti-trust standards and guidance notes* for further detail and supporting references.

### What we expect from our suppliers

We expect our suppliers and their personnel to comply with all applicable laws, regulations, rules, and orders relating to anti-trust and unfair competition and trade practices.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Bribery and corruption

Rio Tinto prohibits bribery and corruption in all forms, including 'facilitation payments' whether directly or indirectly, in order to obtain, retain or direct business or secure any other improper advantage in the conduct of business.

All agency arrangements and charitable contributions can only be made in accordance with Rio Tinto's *Business integrity* standards.

Refer to *The way we work* for further detail and supporting references.

### What we expect from our suppliers

We expect our suppliers to respect and adhere to Rio Tinto's policies and standards dealing with bribery and corruption.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Gifts, entertainment, travel and per diem reimbursements

Gifts, entertainment, travel and per diem reimbursements must not be given or received as a reward or encouragement for preferential treatment.

In certain circumstances, the giving and receiving of modest gifts and entertainment is acceptable subject to pre-approval by Rio Tinto management.

Refer to *The way we work* and Rio Tinto's *Business Integrity* standards for further details about acceptable gifts and entertainment.

### What we expect from our suppliers

We expect our suppliers to respect and adhere to Rio Tinto's *Business Integrity* standards and to refrain from offering Rio Tinto employees inappropriate benefits.

We expect our suppliers will refer to *The way we work* and applicable Rio Tinto *Business Integrity* standards for further detail and supporting references.

## Business integrity (continued)

### Confidentiality

We must always protect Rio Tinto's confidential information as well as the confidential information entrusted to us by others, including customers and suppliers.

All supplier information, including pricing, drawings and know how, is treated in the strictest confidence and only used for the purpose for which it was provided. It is held securely in accordance with Rio Tinto Procurement policy and documentation standards.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### What we expect from our suppliers

All Rio Tinto suppliers are required to respect and protect the intellectual property rights of Rio Tinto in the course of conducting business. Any Rio Tinto intellectual property that is provided to a supplier directly or indirectly in the course of conducting business may be used only for the purpose for which it is provided.

In addition, suppliers are required to ensure they store and maintain any Rio Tinto intellectual property securely, safely and confidentially and that they do not make it available to any third parties, including subcontractors, without Rio Tinto's express written authorisation.

Where a supplier intends to disclose information to the Group that is confidential information of that supplier, the supplier is expected to inform Rio Tinto prior to disclosure and to ensure that a non-disclosure agreement or an equivalent is in place.

We expect our suppliers will refer to *The way we work* for further detail and supporting references.

### Conflicts of interest

We all must ensure that our personal activities and interests do not conflict with our responsibilities to Rio Tinto. Even the appearance of a conflict of interest should be avoided. Conflicts of interest may involve, among other things:

- an outside business relationship with, or interest in, a supplier, customer or competitor;
- a business relationship on behalf of Rio Tinto with any person who is a relative or a personal friend, or with any company controlled by such a person;
- a position where you have influence or control over the job evaluation or compensation of any person who is a relative or romantic partner; and
- accepting, directly or indirectly, personal benefits other than modest gifts or entertainment from a person or organisation dealing or expecting to deal with Rio Tinto in any type of business transaction.

Refer to *The way we work* and applicable Rio Tinto *Business Integrity* standards for further details about conflicts of interest.

#### What we expect from our suppliers

We expect our suppliers will refer to *The way we work* for further detail and supporting references, will respect and adhere to Rio Tinto's *Business Integrity* standards and will not pursue business opportunities where there is a conflict of interest.

#### International business

We operate on a global basis and are therefore subject to national and local laws, regulations and risks that vary from one country to another.

Refer to *The way we work* for our commitments and supporting references in relation to conducting business internationally.

#### What we expect from our suppliers

Suppliers are expected to comply with all applicable laws pertaining to importation and exportation and customs requirements, regulations, rules, and controls in the supply of goods to Rio Tinto Group businesses.

We expect our suppliers will refer to *The way we work* for further detail and supporting references in relation to conducting business internationally.

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