

RIO TINTO PROCUREMENT SUPPLIER BUSINESS PRACTICES STANDARDS

INTRODUCTION

Rio Tinto takes a disciplined and integrated approach to the economic, social and environmental aspects of all our activities, believing that our success as a business depends on our shared commitment to contribute constructively to the global transition to sustainable development and to be a dependable global partner and a good local neighbour.

Rio Tinto's statement of business practice, "*The way we work*," sets out principles and policies designed to ensure that we all reflect in our daily work the high standards and values we share. Rio Tinto expects business partners to maintain high standards themselves, and requires that suppliers of goods and services operate in a manner consistent with "*The way we work*," and that they extend these expectations to subcontractors, and is prepared to withdraw from business relationships with contractors and suppliers that do not live up to these values.

Rio Tinto will:

- Communicate "*The way we work*" to suppliers and potential suppliers.
- Request information from suppliers with whom we have or may have a substantial business relationship, about their policies and performance comparable to the Rio Tinto policies listed below. Where appropriate, Rio Tinto will also seek to define specific standards of performance for key suppliers and products with respect to these policies, and to establish joint efforts for improvement.
- Rio Tinto may seek to give preference to suppliers who can demonstrate that they operate in a manner consistent with these Rio Tinto policies. Suppliers that do not meet minimum standards and cannot provide a plan to quickly rectify their deficiencies may be terminated from current supply contracts and excluded from future consideration.

As a general guide, Rio Tinto will follow an inclusive approach and will seek to work with suppliers, where appropriate, to support their adoption of policies consistent with our own, and assist them in meeting minimum standards and ensure that progress is made toward target standards.

STANDARDS

1. Business Integrity, Corporate Governance and Transparency

1.1. Rio Tinto policy

- 1.1.1. We undertake Rio Tinto's business with integrity, honesty and fairness at all times, building from a foundation of compliance with relevant local laws and regulations and international standards. We support free and fair competition and prohibit bribery, in all its forms.
- 1.1.2. Rio Tinto is committed to high standards of corporate governance, accountability and responsibility. Our commitment, both in principle and practice, is to maximum transparency consistent with good governance and commercial confidentiality.

1.2. Supplier standards

- 1.2.1. Minimum – 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 assuring compliance.
- 1.2.2. Target – Policies similar to Rio Tinto's, and practices that are compliant and free of material violation for 3 years. Strong and demonstrated organizational commitment to the highest standards of corporate governance.

2. Employment

2.1. Rio Tinto policy

- 2.1.1. We require safe and effective working relationships at all levels around the Group. Whilst respecting different cultures, traditions, and employment practices, we share common goals, in particular the elimination of workplace injuries, and are committed to good corporate values and ethical behavior. We do not employ forced, bonded or child labor and we guard against harassment and abuse in the workplace. We do not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics or religion, and seek to enable employees to develop to the extent of their abilities through appropriate training, coaching, and education and development opportunities. We recognize everyone's right to choose whether or not they wish to be represented collectively.

2.2. Supplier standards

- 2.2.1. Minimum - Policies that require adherence to applicable laws, standards and regulations, and prohibit employment of forced, bonded or child labor, with a process for assuring compliance.
- 2.2.2. Target - Policies similar to Rio Tinto's, and practices that are compliant and free of material violation for 3 years. Demonstrated strong organizational commitment to employee development.

3. Human Rights

3.1. Rio Tinto policy

- 3.1.1. We support human rights consistent with the Universal Declaration of Human Rights and Rio Tinto respects those rights in conducting the Group's operations throughout the world. We will not be complicit in human rights abuses and will seek to avoid situations that could be interpreted as condoning human rights abuses.

3.2. Supplier standards

- 3.2.1. Minimum - 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, and a process to assure compliance.
- 3.2.2. Target - Policies similar to Rio Tinto's, and practices that are compliant and free of material violation for 3 years.

4. Safety and Occupational Health

4.1. Rio Tinto policy

- 4.1.1. Safety is a core value and a major priority; our goal is zero injuries. We strive to protect our physical health and well being in the workplace.

4.2. Supplier standards

- 4.2.1. Minimum – Compliance with all requirements of relevant Rio Tinto business units and a demonstrated strong organizational commitment to responsible health and safety management and the elimination of workplace injuries and illnesses, with a process for obtaining assurance on compliance with those policies, both internally and externally, by regular audits, reviews and reports.
- 4.2.2. Target – Policies similar to Rio Tinto's with practices that are compliant and a safety record in the top quartile of the relevant industry for the past 3 years.

5. Environment

5.1. Rio Tinto policy

- 5.1.1. Wherever possible we prevent, or otherwise minimize, mitigate and remediate, harmful effects of the Group's operations on the environment. We build on the foundation of compliance with all environmental laws and regulations, and help develop and implement further management systems and voluntary commitments. We develop Group wide standards and engage with stakeholders to achieve continuous improvement. We obtain assurance on the implementation of our environmental policy, both internally and externally, by regular audits, reviews and reports.

5.2. Supplier standards

- 5.2.1. Minimum – Compliance with all requirements of relevant Rio Tinto business units and a demonstrated strong organizational commitment to responsible environmental management and elimination of environmental incidents, waste minimization, responsible resource utilization, product stewardship and greenhouse gas reduction, with a 3 year record of compliance and remediation of damage caused by operations and incidents.
- 5.2.2. Target – Policies similar to Rio Tinto's, effective compliance processes, and measured improvements in environmental responsibility. A strong demonstrated organizational commitment to a precautionary approach to environmental challenges, to promoting greater environmental responsibility and to the development and diffusion of environmentally friendly technologies.

6. Communities

6.1. Rio Tinto policy

- 6.1.1. We set out to build enduring relationships with our neighbors that are characterized by mutual respect, active partnership, and long term commitment.

6.2. Supplier standards

- 6.2.1. Minimum – Demonstrated organizational commitment to responsible and productive community relationships.
- 6.2.2. Target – This business relationship will have a positive and enduring effect on the communities affected by Rio Tinto's operations.