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www.procurement.riotinto.com

Source Buy Deliver

Our statement of procurement practice

Rio Tinto

Rio Tinto is a leader in finding, mining and processing the earth's mineral resources. The Group's worldwide operations supply essential minerals and metals that help to meet global needs and contribute to improvements in living standards.

In order to deliver superior returns to shareholders over time, Rio Tinto takes a long term and responsible approach to the Group's business. We concentrate on the development of first class orebodies into large, long life and efficient operations, capable of sustaining competitive advantage through business cycles.

Major products include aluminium, copper, diamonds, energy products, gold, industrial minerals (titanium dioxide, borates, talc and salt) and iron ore. The Group's activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Wherever Rio Tinto operates, the health and safety of our employees is our first priority. We seek to contribute to sustainable development. We work as closely as possible with our host countries and communities, respecting their laws and customs. We minimise adverse effects and strive to improve every aspect of our performance. We employ local people at all levels and ensure fair and equitable transfer of benefits and enhancement of opportunities.

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About *The way we buy*

***The way we buy* is Rio Tinto's statement of business practice as it relates to the procurement function. It outlines the Rio Tinto Group procurement standards and processes. It has been written to ensure that the manner in which procurement is conducted is transparent and understood by all key stakeholders. *The way we buy* sets out a range of expectations and commitments pertaining to how business will be conducted between Rio Tinto Procurement (RTP), Rio Tinto business units and suppliers to the Rio Tinto Group.**

This document will tell you about:

- The mandate of RTP and its role within the Rio Tinto Group.
- The expectations and commitments between RTP and its business unit customers.
- The expectations and commitments between RTP and suppliers.
- Rio Tinto's expectations of Rio Tinto supply chain employees.

RTP mission

RTP is an inbound supply chain service organisation that delivers value to the Rio Tinto Group by sourcing and buying goods and services and delivering them to their point of use in Rio Tinto's operations.

RTP achieves this through highly capable people applying uniform, data driven processes and tools. RTP continuously improves its approach in pursuit of efficient and effective service delivery. RTP collaborates with its business unit customers to align its work with operational plans and strategies and actively promotes Rio Tinto Group goals on safety and sustainable development. RTP's engagement with suppliers is based on the principles of value, integrity and mutual respect.

The standards and guidelines in *The way we buy* reflect Rio Tinto's corporate operating philosophies, operating business unit demands and the commitment of Rio Tinto to deal in like fashion with its suppliers and local communities.

RTP acknowledges that *The way we buy* represents a desired end state and a journey is required to achieve this state. RTP is actively progressing towards this desired outcome and expects customers and suppliers to join with us on this journey.

Source – Buy – Deliver

The way we buy covers the full scope of the procurement cycle. The procurement cycle includes the functions of: obtaining sources of supply; initiating requests for goods and services; obtaining pricing and availability quotations from suppliers; placing orders for goods or services; receiving and accepting the goods and services; and preparing for authorised

payments to suppliers.

RTP has translated its work into three core service lines: Source, Buy and Deliver.

1 Source: RTP develops and executes sourcing strategies for goods and services and manages supplier relationships on behalf of, and in consultation with, business unit customers.

2 Buy: RTP maintains vendor and materials data, creates purchase orders for goods, services and repairable items, expedites deliveries where required and seeks to achieve high levels of automation through this process.

3 Deliver: RTP manages the inbound freight, warehousing and inventory management processes on behalf of Rio Tinto business units and optimises the associated logistics processes.

Rio Tinto business units include all Rio Tinto operating units, Rio Tinto Shared Resources, Corporate Service and Support Groups committing external expenditures on behalf of Rio Tinto.

The role of Rio Tinto Procurement

Rio Tinto Procurement (RTP) is the sole operator of the inbound supply chain for all Rio Tinto Group business units, encompassing all source, buy and deliver activity.

RTP's mandate to operate has been endorsed by the Rio Tinto executive committee (ExCo). The application of the RTP business model is articulated in mutually binding Service Level Agreements (SLAs) entered into with each business unit. The SLAs formally authorise RTP to commit funds and manage contracts on behalf of the business unit.

RTP is accountable to the business units to ensure that the inbound supply chain operates effectively and efficiently, with the right good or service being delivered to the right place, at the right time and at fair market prices.

RTP's mandate

- RTP is the owner, architect and custodian of the purchase-to-pay process within Rio Tinto and its business units, encompassing accounts payable and the inbound supply chain. This process is reflected in and managed through the enterprise resource planning system (ERP).
- All commitments for goods and services must be made through RTP authorised and managed systems and processes.
- RTP conducts the procurement process for these items using specifications and evaluation criteria provided by the business unit. The business unit is accountable for making the actual award decision and providing RTP with the relevant authorisation for the expenditure.
- RTP will be engaged in the development of procurement strategies for all capital projects including consideration of how Group synergies and expertise can be effectively utilised.
- RTP processes all authorised purchase and service requisitions on behalf of the business unit and manages the data files required to support these activities including vendor information, price files and catalogue data.
- RTP, in consultation with the business unit, implements and manages inventory, warehousing and inbound logistics processes.
- Suppliers providing or wishing to provide goods and services to business units must deal through RTP.

How Rio Tinto Procurement and its business unit customers work together

To facilitate RTP carrying out its mandate on behalf of Rio Tinto business units a number of supporting practices and conditions apply.

Governance

- RTP's commitment of business unit funds is authorised, performed and recorded in a manner consistent with proper commercial practice and the relevant business unit specific financial authorities.
- Each business unit has policies in place which govern how funds may be committed including setting out approval limits and processes defining specifically the levels of expenditure that require competitive tendering prior to commitment. RTP employees are required to comply with the specific policies governing relevant business units.
- Suppliers will not be engaged before the appropriate form of commercial agreement is in place and authorised according to the relevant business unit's specific financial authorities and control procedures.

Sourcing

RTP will develop sourcing strategies appropriate to the goods or services being procured. Our strategies span the spectrum from short term transactions for goods or services, to multi year or open ended partnerships with specialist equipment manufacturers embedding

significant value based development co-commitments. When there is not an existing supply arrangement to fulfil a product or service need, RTP, in consultation with Rio Tinto business unit personnel, will select prospective suppliers and develop a request for proposal (RFP) to articulate the requirement. RTP takes the RFP to the market, and based on supplier responses, initiates and negotiates supply contracts as required on behalf of individual business units, regional operations or Rio Tinto's global requirements. RTP employs uniform procedures for establishing, negotiating, entering into and administering contracts with suppliers. Key process points include:

- RTP will competitively test all material commitments to ensure that Rio Tinto obtains the best value available considering all relevant factors, such as safety, quality, delivery, specification, price, environmental and community impact and sustainable development.
- Business unit personnel will provide sufficient lead times to RTP to allow for an orderly tender process.
- Business unit personnel will ensure the completeness and quality of specifications and scopes of work provided to RTP, including local sourcing and other sustainable development considerations.
- Business unit personnel will provide a

How Rio Tinto and its business unit customers work together (continued)

documented risk assessment associated with the development of any new tender.

- Business unit personnel will suggest a list of prospective suppliers and RTP will invite additional prospective suppliers to participate where appropriate.
- In the event that there is only one potential supplier of the goods or service, the business unit representative requesting the goods or services will complete an “Exception Request” stating the reasons why the goods or services cannot be competitively tendered. This must be authorised by the relevant departmental manager and forwarded to RTP to be recorded.
- RTP will provide standard terms of contract.
- The business unit will clearly articulate any business unit specific terms. The business unit will also provide health, safety and environmental standards to which suppliers shall be required to adhere.
- RTP will consult with the business units to understand their needs and desired outcomes.
- RTP will manage the entire procurement process: engaging the supply market; developing a business case; and providing the business unit with a recommendation for award.
- Suppliers will respond to the tender requests issued by RTP, addressing all required aspects.
- The business unit will provide a clear set of award criteria on which basis the business will be awarded at the conclusion of the sourcing process.
- RTP manages the commercial interface with suppliers, including contract management and administration processes.
- As part of the contract management and administration function, RTP will initiate supplier meetings and price reviews, monitor and update any pricing indices relevant to the contract, ensure supplier compliance at contract review intervals, collect and maintain insurance certification, monitor the contract term and maintain a database of contracts.
- With respect to onsite services, the business unit is accountable for overseeing the execution of the work, including monitoring and managing contractor and employee health and safety, environmental and community impact, and for auditing and approving hours worked, costs, results and completion.

Buying

Normally if an item is in inventory, suppliers will be pre-contracted and replenishment

orders will be automatically generated by the ERP based on required inventory levels. Where the item or service is not in inventory, the business unit will initiate a requisition and RTP will source the item and generate a purchase order. RTP then tracks the purchase order to ensure supplier adherence to the timelines, and quantities specified in the purchase order. Key process points include:

- Business unit personnel will place orders based on the lead times in the business unit's enterprise resource planning (ERP) system.
- All requisitions issued to RTP will reference an existing supplier with whom the business unit has contracted for that supply and all goods will be referenced from the business unit materials or services catalogue in the purchasing system.
- All orders for onsite services will be executed in accordance with the requirements of the business unit contractor management system.

Delivering

When the supplier has filled the purchase order, the goods are delivered to the business unit location or central warehouse. RTP issues a receipt of goods to the supplier and subsequently manages inventory levels and distribution of specific materials to the business unit's required point of use. Key process points include:

- RTP is engaged by the business unit in development of the business unit's asset management strategies to ensure that supply chain functions can support these strategies effectively.
- The business unit will forecast and provide RTP with prior notice of material changes to consumption requirements.
- Consistent with business unit asset management strategies, RTP will recommend, for business unit decision making, optimal stock holdings and strategies to mitigate lead time exposure risks.
- In consultation with the business unit and based on business unit asset management strategies, RTP will also seek to: (i) optimise timely and accurate delivery of required parts and materials to the point of use; (ii) cost effectively consolidate the business unit's freight requirements; (iii) provide structured materials management, including cost controls and consumption management; (iv) consolidate the supplier base for off-site repairs.
- RTP will also support business units in asset management and maintenance by building and utilising standard job kitting and by establishing effective maintenance interfaces.

How Rio Tinto Procurement and its business unit customers work together (continued)

Measurement

RTP measures and reports performance across source, buy and deliver activities for all business units.

Control procedures

Since RTP is the Group's operator of a core business process responsible for both a significant fiscal commitment and management of critical operational functions, it is essential that strict audit and control guidelines are embedded in RTP activities. RTP liaises with Rio Tinto internal audit on the development and deployment of appropriate control processes. Through oversight of the RTP governance committee, audit plans for purchase to pay processes are agreed and discharged on behalf of the wider Rio Tinto Group.

How Rio Tinto Procurement engages with suppliers

Safe, efficient and innovative suppliers and contractors are strategically important to the success of the Rio Tinto business units. Rio Tinto expects to participate in a fair and competitive marketplace, and to provide a fair evaluation and selection process that is applied consistently to all prospective suppliers.

Rio Tinto's systems are designed to ensure the intellectual property of suppliers is protected.

RTP operates systems that are based on appropriate methods of competition among qualified suppliers of goods and services. These systems require that contracting opportunities are publicised to those suppliers deemed capable of meeting Rio Tinto's requirements.

Awards will be made to those suppliers who are able to meet the business units' stated needs and required standards and who make the best offers considering all relevant factors, including health, safety, environment, quality, service, competitive pricing, technical abilities and consistency with the values articulated in this document.

Responding to tenders

Depending on the nature of the customer requirement, RTP may choose to first approach the market in the form of requests for information or market research.

Pre-qualification and accreditation of suppliers are considered critical to ensuring the safety and quality of goods and services delivered to customers, and may be conducted before suppliers are accepted into a tendering process.

RTP typically invites bids from prospective suppliers who are deemed by Rio Tinto to have the potential to meet the business units' award criteria.

RTP considers electronic tools and market places integral to the way in which it interfaces with markets and suppliers and will employ these systems to engage with the market.

Based on the nature of the goods and/or services that are needed by the business units, prospective suppliers may be requested to follow one or more standard RTP procedures outlined below.

Initially, all prospective suppliers will be required to register on Rio Tinto's online procurement system. They will have access to the form of contract or other terms and conditions on which their bids will be based, the applicable specifications and standards for the goods or services at issue and instructions on the bidding process.

Prospective suppliers may also be asked to submit an online tender in the form of providing pricing and uploading supporting documents, and/or to participate in an

How Rio Tinto Procurement engages with suppliers (continued)

online reverse auction, direct negotiation, or a combination of these processes.

During this process, RTP is committed to protecting the confidentiality of supplier information, and to ensuring that a fair and consistent process is applied to all prospective suppliers.

When prospective suppliers are invited to respond to a request for tender, RTP will provide them with:

- the terms of engagement for the tender;
- documents that clearly define the relevant Rio Tinto needs, describe the tendering process, and define the business requirements that are being sought; and
- the form of contract to which the successful supplier will be required to adhere.

All prospective suppliers participating in the bidding event will be expected to:

- complete and provide truthfully and accurately, all required information by the requested deadline;
- provide all relevant information regarding hazards or risks related to the goods or services it intends to provide;
- be bound by the terms and conditions included in the tendering process and included in the description of the goods or services received from RTP;

- have the lawful right to provide the services and/or the goods for which they are submitting a bid; and
- supply the goods and/or services after the bidding has closed in the event that they are selected as the preferred supplier.

Bids are not able to be retracted, except where permitted by RTP.

RTP, in consultation with the relevant Rio Tinto business units, will consider a variety of factors and will decide which bid, if any, will be accepted or whether all bids will be rejected. Among the factors that RTP will consider are whether the bidder has complied with all bidding requirements and offered the best bid, as defined by internally agreed selection criteria.

RTP also values suppliers who are prepared to actively work on opportunities for value creation with Rio Tinto business units. RTP recognises that relationships based on principles of mutual value creation are journeys and as such require both Rio Tinto and its suppliers to commit to processes of improvement and actively work together to lift performance over time.

Conducting business

After a bidder is awarded the business, provided evidence of insurance and other contractual requirements, has entered into a contract and has received relevant

health, safety and other training as required, orders for applicable goods or services will be initiated through the issuance of purchase orders. Rio Tinto transacts purchase orders electronically and in an automated fashion with its suppliers. Goods or services must not be supplied without first receiving a valid purchase order issued by the business unit to the supplier. Business units reserve the right to refuse payment to suppliers unless a valid and complete invoice is provided that includes reference to the applicable purchase order.

Suppliers are expected to ensure that goods and services, meeting specification, will be supplied in full and on time. All materials order lines must be delivered complete by the due date unless prior arrangements are made with the relevant RTP purchasing officer. Suppliers must advise RTP as soon as practicable in the event that there will be any variance to committed delivery times, quantities or locations.

Rio Tinto has 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, and suppliers are expected to be able to conduct business with Rio Tinto in this manner.

Use of the Rio Tinto name, logo and trademarks by suppliers

Except as required by any applicable law or as otherwise permitted by a contract, contractors, suppliers and consultants to Rio Tinto and affiliates may not make any public announcement or disclosure as to the contract or other arrangements to provide goods or services to Rio Tinto or affiliates, or otherwise in relation to the subject matter of the contract or arrangements, and may not use the logo, trademarks or name of Rio Tinto or its business units in any public way or venue without the prior written consent of the contracting party (Rio Tinto or affiliate).

Behaviours Rio Tinto expects of its suppliers

The Rio Tinto Group takes a disciplined and integrated approach to the economic, social and environmental aspects of its 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 being dependable global partner and a good local neighbour.

Rio Tinto's statement of business practice, titled *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. Rio Tinto is prepared to withdraw from business relationships with contractors and suppliers that do not live up to these values.

Rio Tinto will:

- Ensure *The way we work* is available to current and prospective suppliers. *The way we work* may be found at www.riotinto.com;
- request information from current and prospective 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. Rio Tinto may 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; and

- follow an inclusive approach and seek to work with suppliers, where appropriate, to support their adoption of policies consistent with our own and assist them in meeting minimum standards.

Rio Tinto values 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 expeditiously rectify their deficiencies may be terminated from current supply contracts and excluded from future consideration.

Business integrity, corporate governance and transparency

Rio Tinto undertakes its business with integrity, honesty and fairness at all times, building from a foundation of compliance with relevant local laws and regulations and international standards. Rio Tinto seeks to avoid conflicts of interest. Rio Tinto supports free and fair competition and prohibits bribery, in all its forms. As is stated in the Rio Tinto publication *Corporate Governance Guidance*, payments (direct or indirect), are made solely for legitimate business services at a rate that reflects their market value.

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.

Supplier standards

As a minimum we require our suppliers to 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 assuring compliance.

The extension of personal gifts and gratuities by suppliers to Rio Tinto personnel and their families in a manner that could be interpreted as seeking preferential treatment is expressly prohibited.

To further this objective, all Rio Tinto suppliers should establish and maintain procedures, policies and precautions to ensure that their personnel or contractors under their control are prohibited from making or receiving any gifts or payments or other consideration to Rio Tinto employees.

Rio Tinto policy prohibits employees from accepting gifts or gratuities. Consistent with this approach, we have systems in place to address non compliance. If suppliers wish to report a breach of this policy they should do so through www.procurement.riotinto.com.

All Rio Tinto suppliers will be expected to comply with, and ensure that their personnel comply with, all applicable laws, regulations, rules and orders relating to antitrust and unfair competition and trade practices. Rio Tinto strictly prohibits the sharing or exchanging of any price, cost or other competitive information or the undertaking of any other collusive conduct with:

- any third party supplier or bidder to Rio Tinto with respect to any proposed, pending or current Rio Tinto contract; and
- any competitor of Rio Tinto.

All Rio Tinto suppliers are also 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, unless Rio Tinto's express written authorisation is obtained first.

Finally, all Rio Tinto suppliers are accountable for ensuring that they are in compliance with all applicable laws pertaining to importation and exportation and customs requirements, regulations, rules and controls in the supply of goods to

Behaviours Rio Tinto expects of its suppliers (continued)

Rio Tinto business units. Suppliers are accountable for ensuring that any documentation or invoices provided to Rio Tinto or any relevant authority in connection with transactions involving the supply of goods or services to Rio Tinto are accurate, and truthfully and fully describe the goods or services provided or delivered and the price where required.

If there is any inconsistency or ambiguity between *The way we buy* and an applicable supply contract (whether it be a comprehensive supply agreement or a purchase order only), the supply contract will prevail and control.

Employment

We require safe and effective working relationships at all levels around the Rio Tinto Group. Whilst respecting different cultures, traditions and employment practices, we value suppliers who share our goals, in particular the elimination of workplace injuries and illnesses, and are committed to good corporate values and ethical behaviour. We support the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We do not employ forced, bonded or child labour 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 recognise everyone's right to choose whether or not they wish to be represented collectively.

Supplier standards

As a minimum we require our suppliers to maintain policies that require adherence to applicable laws, standards and regulations, and prohibit employment of forced, bonded or child labour, with a process for assuring compliance. We value suppliers who commit to this standard by adopting policies similar to Rio Tinto's, and who are compliant and free of material violation.

Human rights

Rio Tinto supports human rights consistent with the Universal Declaration of Human Rights, and the International Labour Organisation Indigenous and Tribal Peoples Convention, and we respect 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.

Supplier standards

As a minimum we require 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 and a process to assure compliance.

Safety and occupational health

We are committed to eliminating all injuries, illness and incidents from our operations and expect an equal commitment to health and safety from the businesses with which we work. 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.

Supplier standards

As a minimum we require our suppliers to maintain compliance with all requirements of relevant Rio Tinto business units and to demonstrate strong organisational 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. We value suppliers who actively manage and communicate product health and safety risks.

Environment

Wherever possible, we prevent, or otherwise minimise, 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.

Supplier standards

As a minimum we require our suppliers to maintain compliance with all requirements of relevant Rio Tinto business units. They must also demonstrate a strong organisational commitment to: responsible environmental management; the elimination of environmental incidents; waste minimisation; responsible resource utilisation; product stewardship; and greenhouse gas reduction. They must have a consistent record of compliance and remediation of damage caused by operations and incidents. We value a strong demonstrated organisational commitment to a precautionary approach to environmental challenges, promoting greater environmental responsibility and the development and diffusion of environmentally friendly technologies.

Sustainable development

Rio Tinto is committed to sustainable development. We contribute constructively to the global transition to sustainable development by helping to satisfy global and community needs and aspirations (whether economic, social or environmental) in a responsible manner. We make sustainable development considerations an

Behaviours Rio Tinto expects of its suppliers (continued)

integral part of our business plans and decision making processes and believe that by focusing on people, the environment, resource stewardship and management systems we can better manage risk, create business options, reduce costs, attract the best employees, gain access to new markets and resources and deliver a better product to our customers.

Supplier standards

As a minimum we require our suppliers to maintain compliance with all requirements of relevant Rio Tinto business units. They must demonstrate a strong organisational commitment to sustainable development. We value suppliers whose policies and practices demonstrate active awareness of and support for sustainable development principles and help us achieve sustainable development objectives.

Communities

RTP integrates with and supports local community strategies set by business unit customers. We set out to build enduring relationships with our neighbours that are characterised by mutual respect, active partnership and long term commitment.

Supplier standards

As a minimum we require our suppliers to demonstrate organisational commitment to responsible and productive community relationships. We value suppliers who commit to this standard by maintaining business relationships that will have a

positive and enduring effect on the local communities and neighbours affected by Rio Tinto's operations.

Additional supplier requirements

In support of our business objectives, Rio Tinto has an expectation that all suppliers will:

- Be aligned with our business objectives (reducing costs, enhancing value, reducing and/or eliminating wastes, reducing variation, increasing operating or energy efficiency).
- Be financially secure.
- Be a direct manufacturer of goods, or an authorised agent/distributor thereof.
- Have technically capable and competent personnel to support the goods and/or services supplied.
- Maintain appropriate quality assurance systems and processes.
- Agree to supply on the basis of Rio Tinto's terms and conditions.
- Be able to transact business electronically, including internet compliance, purchase orders, invoices and payments in a form compatible with Rio Tinto.

What Rio Tinto Procurement requires of supply chain personnel

All Rio Tinto employees and contractors working in source, buy and deliver functions are required to act in accordance with Rio Tinto's stated policies and procedures and their terms of employment. In addition to procurement specific policies, supply chain personnel are reminded of the core values underlying RTP's working practices.

- **Safety comes first.**
- **We are professional and ethical in all we do.**
- **We are uncompromisingly value driven.**
- **We conduct ourselves with integrity and respect for others.**
- **We value and develop our people.**
- **We drive to innovative solutions.**

Personal safety

Health and safety is a core value in Rio Tinto. Supply chain personnel are expected to actively manage their own safety and the safety of their environment and those around them.

Supply chain personnel should ensure that they are aware of the safety procedures of their operating environment, that they are wearing the appropriate personal protective

equipment, that they conduct risk assessments as required for physical tasks and that they report and follow-through on all hazards, near misses and physical incidents.

When travelling to any Rio Tinto operating site, supply chain personnel are required to report observations of hazards, risks and opportunities for safety improvement to their hosts.

In dealing with existing and prospective suppliers, supply chain personnel are required to ensure that the supplier understands Rio Tinto's expectations in relation to safety management and the requirements for doing business with Rio Tinto in this respect.

Complying with RTP policy

RTP staff are required to comply with all RTP policies including our documentation policy and *The way we buy* and to ensure that all transactions are carried out in accordance with internal control procedures.

All RTP staff are expected to demonstrate a personal and professional commitment to Rio Tinto policies on human rights, sustainable development and the environment by making these considerations an integral part of our business plans and decision making processes.

Improper payments

Supply chain personnel are required to

What Rio Tinto Procurement requires of supply chain personnel (continued)

maintain high levels of integrity in all business relationships they conduct on behalf of Rio Tinto. They must never solicit or accept bribes, gifts or entertainment, or any improper illegal contributions or other payments.

Applicable laws and *The way we work*

Supply chain personnel must abide by all applicable laws. They also must abide by the principles in *The way we work*.

International trade controls

Supply chain personnel are required to understand and follow applicable international trade and customs laws, regulations and controls, including those relating to licensing, shipping and import documentation and reporting and record retention requirements.

Privacy

In all dealings with suppliers and other third parties, supply chain personnel are required to act in accordance with applicable Rio Tinto policies and privacy and data protection laws and regulations.

Supplier information

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

Complying with competition laws

Rio Tinto is committed to the principles of free and fair competition. Rio Tinto's policy is to compete vigorously and effectively while always complying with the applicable antitrust laws and regulations in all jurisdictions in which it operates.

Rio Tinto makes its business decisions independently. Rio Tinto forbids the sharing of commercially sensitive information with any competitors. Commercially sensitive information means any information which is not publicly known and includes prices (including list prices, any elements of prices, discounts, rebates or an intention to charge prices), contract negotiations, capacity, production, costs, commercial strategies or plans, intentions to bid or not to bid, market share or customers.

Supply chain personnel are also prohibited from participating in any restrictive trade practice or unfair competition activities, including engaging in any form of boycott.

Conflicts of interest

It is a condition of employment of all supply chain personnel that all non Rio Tinto work related activities be free of conflicts with the procurement role of supply chain personnel. Supply chain personnel have an obligation to report all personal and family relationships with current and potential suppliers where they are involved in the process of selecting, managing or evaluating them.

Reporting non compliance

Where RTP personnel identify a breach of Rio Tinto policies or values these should be reported through RTP line management or the Rio Tinto *Speak-OUT* programme.

Conditions of employment

All RTP 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.

Rio Tinto's own supplementary guidance documents

- ***The way we work***
- ***Business integrity guidance***
- ***Compliance guidelines***
- ***Corporate governance guidelines***
- ***Environment standards***
- ***Financial disclosure guidelines***
- ***Human rights guidance***
- ***Occupational health standards***
- ***Rules for dealing in Rio Tinto securities***
- ***Safety standards***

These documents provide additional guidance in specific policy areas and further resources are also available in Rio Tinto's intranet and internet websites.

Disclaimer

The policies and procedures in *The way we buy* are internal to the Rio Tinto Group and neither RTP nor any Rio Tinto business unit will be required to disclose any documents to any external party it elects to withhold.

The policies in *The way we buy* are a guide; they are not intended to create any contractual obligations or rights. RTP reserves the right to interpret its policies and to vary its procedures when it determines it is appropriate. RTP may at its sole discretion change, make exceptions to, or discontinue any of the provisions in this document at any time, without advance notice.

RIO TINTO

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