



RioTinto

Sustainable Procurement Principles

September 2024

Rio Tinto Procurement Principles

At Rio Tinto we aim to find better ways to create sustainable value in collaboration with our suppliers and the communities where we operate. We strive to ensure that the procurement of all our goods and services is in alignment with our commitment to impeccable ESG performance and responsible business practices.

We have developed this document to demonstrate the transparency we uphold in all procurement related activities for Rio Tinto, by all key stakeholders. It serves as a platform to communicate the principles that guide our conduct as an organisation. Together with *The Way We Work* – Rio Tinto's Code of Conduct, and our internal **Group Procurement Standard**, this document sets out the **expectation we have for ourselves**.



Our purpose and strategic objectives

Rio Tinto's purpose is to find better ways to provide the materials the world needs, and our people are at the heart of bringing this purpose to life.

Through our procurement activities, **we aim to create sustainable value in partnership with our suppliers**, and in doing so deliver against our strategic objectives in the following ways:

- 1. Best Operator** – delivering commercial solutions in response to business demand.
- 2. Impeccable ESG** – managing risk and compliance in our supply chains whilst driving ESG performance with our suppliers.
- 3. Social License** – developing local and Indigenous suppliers in the communities where we operate.
- 4. Excel in Development** – supporting the growth of regional supply markets across the mining lifecycle.

How we buy

We procure a diverse range of goods and services from our network of suppliers, employing an approach that adapts to the risk, value, and price.

Our methodology typically involves soliciting quotations or bids from multiple suppliers to ensure best sustainable value. We engage in negotiations with prospective suppliers and customise the length and structure of our contractual commitments on a case-by-case basis.

We pay our suppliers on time and in accordance with our contractual commitments.

We prioritise the use of standard contract forms appropriate for the level of risk associated with the scope of work.

Contract approval and execution are strictly overseen by authorised personnel, ensuring compliance and accountability in our supplier relationships.

Sustainable value

When we consider the **sustainable value of procurement** opportunities, we go beyond traditional metrics such as total cost of ownership, quality, and delivery. We actively engage suppliers to optimise outcomes in respect to health and safety, ethical decision making, respect for others, and environmental stewardship.

Our definition of **value encompasses financial and non-financial factors**, reflecting our commitment to our stakeholders' diverse needs and interests across the short, medium, and long term. Integral to this approach is our procurement process, which integrates ethical decision-making to promote responsible practices and drive positive outcomes for people, communities, and the planet.

Partnership with our suppliers

Through our procurement practices, we engage with the supply market to deliver solutions for our most challenging business problems. We prioritise developing **long-term partnering relationships** with suppliers based on mutual benefit with the aim to not only meet business demand, but to also develop innovative solutions for our most complex challenges.

We select suppliers that share our values. The *Supplier Code of Conduct (SCOC)*, which draws upon internationally recognised standards, sets our **expectations of our suppliers**, their subsidiaries, and subcontractors. Failure to comply with the SCOC may result in Rio Tinto electing to not work with, or discontinue collaboration with, suppliers who do not meet our expectations. Where appropriate, suppliers will be given the opportunity to improve their degree of compliance to certain provisions of the SCOC.

Our partnerships with suppliers extend beyond transactional relationships—they are vital to our objective of creating positive impact. By collaborating closely with our suppliers, we leverage collective expertise and resources to drive meaningful change and foster sustainable growth for all stakeholders involved.

Sustainable Procurement Principles: Guiding Themes

Our commitment to sustainable procurement practices is organised into key thematic areas. These themes encompass our guiding principles and values as we engage in procurement activities that prioritise health and safety, ethical decision making, respect for others, and environmental stewardship. By adhering to these principles, we strive to provide a safe workplace, promote social responsibility throughout our supply chain, contribute positively to our communities and protect the environment.



Health and Safety Performance

We commit to the goal of everyone going home safe and healthy every day.



Ethical Decision Making

We demonstrate consistent ethical behaviour by considering both financial and non-financial factors in our decisions, ensuring fair practices, and adhering to regulatory and legal requirements.



Respect for Others

We pledge to uphold internationally recognised human rights, promote inclusivity diversity in our supply chain, and ensure everyone is respected treated with dignity.



Environmental Stewardship

We recognise the responsibility we are entrusted with and see ourselves as long-term stewards of natural resources, including land and water, and the ecosystems they support.



Developing Local and Indigenous Suppliers

We actively support our host communities to ensure we leave a lasting, positive legacy everywhere we work.

Health and Safety Performance

We commit to the goal of **everyone going home safe** and healthy every day.

We work with suppliers who share this commitment to prioritise health, safety, and wellbeing in their operations. We believe all incidents and injuries are preventable, so our focus is on identifying, managing and, where possible, eliminating risks to physical health, mental wellbeing, and psychosocial safety.

Ethical Decision Making

In everything we do, we demonstrate consistent ethical behaviour, put integrity at the centre of our decisions and hold ourselves accountable for our choices. We prohibit any and all conduct that could constitute, or appear to constitute, bribery and corruption.

We conduct all procurement activities in a fair, objective, transparent and professional manner.

We promote open communication with our suppliers and treat our suppliers fairly and act with integrity when we engage with them.

Regulatory and Legal Requirements

The way we conduct procurement at Rio Tinto ensures that we **comply with all applicable laws and regulations**.

We prioritise adherence to international standards, and in cases where international laws and regulations exceed local ones, we adopt the higher standard. We make sure personal activities and interests are not in conflict with our responsibilities to Rio Tinto and other stakeholders. We do not commit, or become involved in, bribery or corruption of any form, including facilitation payments.



Respect for Others

We pledge to uphold internationally recognised human rights, promote inclusivity, and actively support our host communities.

Human Rights

We commit to **respecting** internationally recognised **human rights**. This includes **zero tolerance for modern slavery** in our supply chain.

This is why we have incorporated human rights due diligence, including identification, mitigation, and prevention of risks of human rights harms (including, but not limited to labour rights and freedom from modern slavery), into our supplier selection and contracting processes.

Diversity and Inclusion

Our people are at the heart of what we do – we create a **respectful, diverse, and inclusive environment** built on safety, trust, and empowerment.

We are committed to an inclusive environment where people feel comfortable to be themselves and promote diversity and inclusion in our supply chain. We want people to feel that all voices are heard, all cultures respected and that a variety of perspectives are not only welcome – they are essential to our success. We treat each other fairly and with dignity regardless of race, gender, nationality, ethnic origin, religion, age, sexual orientation, or anything else that makes us different.



Environmental Stewardship

We recognise the responsibility we are entrusted with and see ourselves as long-term stewards of natural resources, including land and water, and the ecosystems they support.

We commit to the responsible use of our shared natural resources, by sourcing goods and services that do not cause unnecessary environmental impact. We work with suppliers to understand the nature-related risk of the goods and services we procure, including air emissions, water usage, and tailings management, and collaborate on actions to halt and reverse nature loss in our upstream and downstream supply chain. In doing this, we seek to contribute to a nature positive future and support sustained natural value for communities across our value chain. We collaborate to avoid and minimise environmental impacts and dependencies in all procurement activities, through reduced emissions, circular opportunities, nature-based solutions and effective water, biodiversity, land, and waste management practices.

Additionally, we are committed to responsible consumption and production, emphasising the reduction of waste throughout our procurement process. We actively seek opportunities to minimise waste generation, promote reuse and recycling initiatives, and support suppliers who demonstrate a commitment to waste reduction and circular economy principles.

Developing Local and Indigenous Suppliers

We work hard to leave a lasting, positive legacy everywhere we work. As part of this, we strive to **buy products and engage services from local and Indigenous suppliers.**

By partnering with local and Indigenous suppliers, we aim to stimulate local economies and help local and Indigenous businesses and communities grow and prosper. We are on a reconciliation journey, and we support the economic aspirations of Indigenous Peoples by leveraging the opportunities from our activities and by building **mutually beneficial, respectful and transparent partnerships.**



RioTinto

Rio Tinto plc

6 St James Square
London SW1Y 4AD
United Kingdom
T+44(0)20 7781 2000

Rio Tinto Limited

120 Collins Street
Melbourne, Victoria 3000
Australia
T+61(0)3 9283 3333
riotinto.com