

Procurement and Logistics Policy

Our Commitment

Fortescue Metals Group Limited (Fortescue) is committed to ensuring its procurement and logistics practices meet the highest standards of business ethics and integrity while realising value for money, managing risks and maximising opportunities to deliver shareholder value. This involves selecting and delivering products, services and suppliers that provide the best overall benefit to Fortescue over the life cycle of those goods and services. This supports supply chain practices that focus on safe and effective on time delivery to Fortescue.

Our Strategy

To meet our commitments, we will:

- Conduct procurement and logistics activities responsibly and sustainably in accordance with Fortescue's values, Code of Conduct and Integrity, ethical and business conduct requirements;
- Work closely with key business areas including health, safety, environment and security to ensure requirements are met in accordance with best practice and changing legislation;
- Understand Fortescue's procurement profile and have a strategy that is aligned to our values and strategic objectives;
- Ensure security of supply to safeguard our business both now and for the future;
- Collaborate with internal customers and stakeholders across the business and operations to deliver optimal outcomes while aligning business priorities and managing risk;
- Promote local content, business opportunities and Indigenous employment in our procurement activities to support the sustainability of the communities Fortescue operates in;
- Work to ensure that our suppliers conduct business in a manner consistent with internationally recognised human rights standards and address the risk of modern slavery in their supply chain;
- Establish and maintain positive and effective commercial relationships with our suppliers;
- Conduct procurement and logistics activities efficiently to ensure that our processes support business needs and managing our cost to serve;
- Maintain a focus on continuous improvement, utilising technology and analytics, to support the enhancement of procurement and logistics activities into the future;
- Develop and implement robust category strategies via our Category Management team;
- Support purchasing, accounts payable and vendor data standards by the Procurement Services team;
- Optimise inventory, disposals and working capital by the Materials Management team;
- Ensure timely and safe delivery of goods including the storage of dangerous goods via the Warehousing and Logistics team; and
- Ensure Procurement systems and reporting are fit-for-purpose via the Systems and Analytics team.