



Standard

Sustainable Procurement Standard

Supplier Requirements Summary

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Sustainable Procurement Standard			
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1. INTRODUCTION

Fortescue Metals Group (Fortescue) is committed to ensuring its procurement practices meet the highest standards of business ethics and integrity, are transparent and fair. Fortescue procures a wide range of products and services and recognises that its procurement responsibilities extend beyond tier 1*.

This standard outlines Fortescue's expectation of its suppliers and their supply chain, in regard to governance, ethics and sustainability matters. Compliance with this standard will be taken into consideration during the contract award process and performance assessments during the term of a contract.

2. SUSTAINABILITY

Sustainability is at the core of Fortescue's values and is predicated on Fortescue's commitment to behave ethically, to create value for its stakeholders, and to leave the communities and environments in which Fortescue operates in a demonstrably better position. Fortescue's approach to sustainability aligns with the United Nations Sustainable Development Goals, a global call for action to end poverty, protect the planet and ensure that all people are able to enjoy peace and prosperity.

Fortescue has set [sustainability objectives and targets](#) for its operations and suppliers may be given specific KPIs under their contracts to demonstrate how their performance is aligned with Fortescue's objectives and targets.

3. CORPORATE GOVERNANCE AND ETHICS

Good governance is critical to business and Fortescue seeks to adopt leading practices, in contemporary governance standards and apply these in a manner consistent with its culture and values. Fortescue expects its suppliers to uphold the highest ethical business practices as outlined in the [Code of Conduct and Integrity](#). Compliance with the Code is a condition of working for and with Fortescue.

All suppliers are expected to manage risk, governance and compliance adequately and ensure their employees understand the requirements of Fortescue's Code of Conduct and Integrity. Suppliers should have a grievance process available to employees and their suppliers and a policy that provides protection for whistleblowers.

*Tier 1 are Fortescue's direct suppliers.

4. LOCAL LAWS

Suppliers must comply with all relevant laws and regulations.

5. ANTI-BRIBERY AND CORRUPTION

Bribery and corruption undermines legitimate business activities, distorts competition and exposes Fortescue and its people to significant risks. Fortescue has a zero-tolerance approach to bribery and corruption, whether direct or indirect, in the private or public sector, anywhere in the world.

Suppliers must comply with [Anti-Bribery and Corruption Policy](#) (100-ST-AD-0001) and have and maintain its own policies and procedures to ensure compliance with the *Criminal Code Act 1995* (Cth), the *Foreign Corrupt Practices Act 1977*, and the *Bribery Act 2010*, and enforce them where appropriate.

6. SANCTIONS COMPLIANCE

Fortescue is committed to complying with the relevant economic and trade sanctions laws (Sanctions) of all jurisdictions in which it operates or intends to operate. Suppliers must not engage in any activities that could lead to Fortescue breaching applicable Sanctions obligations.

Suppliers, their personnel and related companies must always comply with the Sanctions imposed, enacted, administered or enforced by the United States of America, the United Nations, the European Union, the United Kingdom and Australia.

7. HEALTH AND SAFETY

Safety is Fortescue's number one priority. The health and wellbeing of its employees, contractors and the community should never be compromised. Suppliers must comply with all Fortescue's health and safety policies, standards and procedures. For more information refer to [Health and Safety Policy](#) (100-PO-SA-0010) .

All suppliers are expected to have a health and safety policy (or equivalent) and ensure that their employees understand the requirements of the policy. Suppliers should also have a system, to record, monitor and manage health and safety risks and incidents.

8. SAFEGUARDING THE ENVIRONMENT

Fortescue is committed to safeguarding the environment. Suppliers are expected to minimise the environmental impact of their activities and comply with Fortescue's environmental standards, management plans and procedures. For more information refer to [Environment Policy](#) (100-PO-EN-0001).

All suppliers are expected to have an environmental policy (or equivalent) and ensure that their employees understand the requirements of the policy. Suppliers should also have a system to measure, manage, minimise and report the environmental impact of their activities.

Fortescue is committed to contributing to global efforts to combat climate change and expects its suppliers to be undertaking actions to evaluate the risks and opportunities of climate change to their business and work towards reducing their greenhouse gas emissions in line with the objectives of the Paris Agreement.

9. HUMAN RIGHTS AND LABOUR CONDITIONS

Fortescue is committed to upholding and respecting the human rights of all people including its employees, the communities in which it operates, those who may be impacted by its activities and those within its supply chains. Fortescue respects freedom of association, the right to a fair wage and ensures all employees are treated fairly and without discrimination including against age, race, gender, political or religious belief, culture, family commitments, physical or mental ability, marital status or sexual orientation.

Suppliers are expected to conduct business in a manner consistent with the human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business.

Suppliers are expected to ensure all people are treated with dignity, courtesy and respect, irrespective of age, gender, race, sexual orientation, political or religious belief, culture, marital status, family commitments, physical or mental ability. Suppliers are also expected to ensure fair working conditions and wages including equal pay for equal work.

9.1 MODERN SLAVERY

Fortescue rejects and prohibits the use of all forms of slavery, child or forced labour within its operations and the operations of its suppliers. Suppliers are expected to comply with the requirements of the *Modern Slavery Act 2018* (Cth) including having the necessary processes and procedures in place to investigate, assess and address the risk of modern slavery within their operations, and those of their supply chain including implementing appropriate due diligence and remediation programs.

10. INDIGENOUS RIGHTS AND OPPORTUNITIES

Suppliers are expected to respect the rights and interests of native title holders and Traditional Custodian groups and to protect and promote Indigenous history and culture.

With respect to Fortescue's Australian activities, suppliers are expected to acknowledge Fortescue's commitment to the employment of Aboriginal people and adopt a proactive policy

with respect to the employment of local Aboriginal people and the engagement of local Aboriginal enterprises. Weighting will be given to suppliers that are Aboriginal-owned, engage Aboriginal businesses (including native title groups) or provide other benefits to Aboriginal communities.

11. LOCAL PROCUREMENT

Fortescue strives to create economic opportunities within the regions it operates by employing local people and purchasing local products and services.

With respect to Fortescue's Australian activities, weighting will be given to business based in the Pilbara, followed by Australian-based suppliers.

As Fortescue continues to expand globally, weighting will be given to local suppliers that provide benefits and employment to the communities within the regions Fortescue operates.

12. REPORTING MISCONDUCT

Any suspected breaches of Fortescue's [Code of Conduct and Integrity](#) and relevant policies, procedures and standards including instances of corruption, bribery and human rights abuses should be reported to Fortescue's Corporate Governance and Compliance Manager 6218 8888 or via Fortescue's 24/7 secure, confidential and independent [Whistleblower Hotline](#), available to employees, suppliers and the community - 1800 976 100.

13. MORE INFORMATION

For more information please visit www.fmgl.com.au or contact your Fortescue procurement advisor.