



# SUSTAINABLE **SUPPLY CHAIN** STANDARD

**Contracts and Procurement**

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External

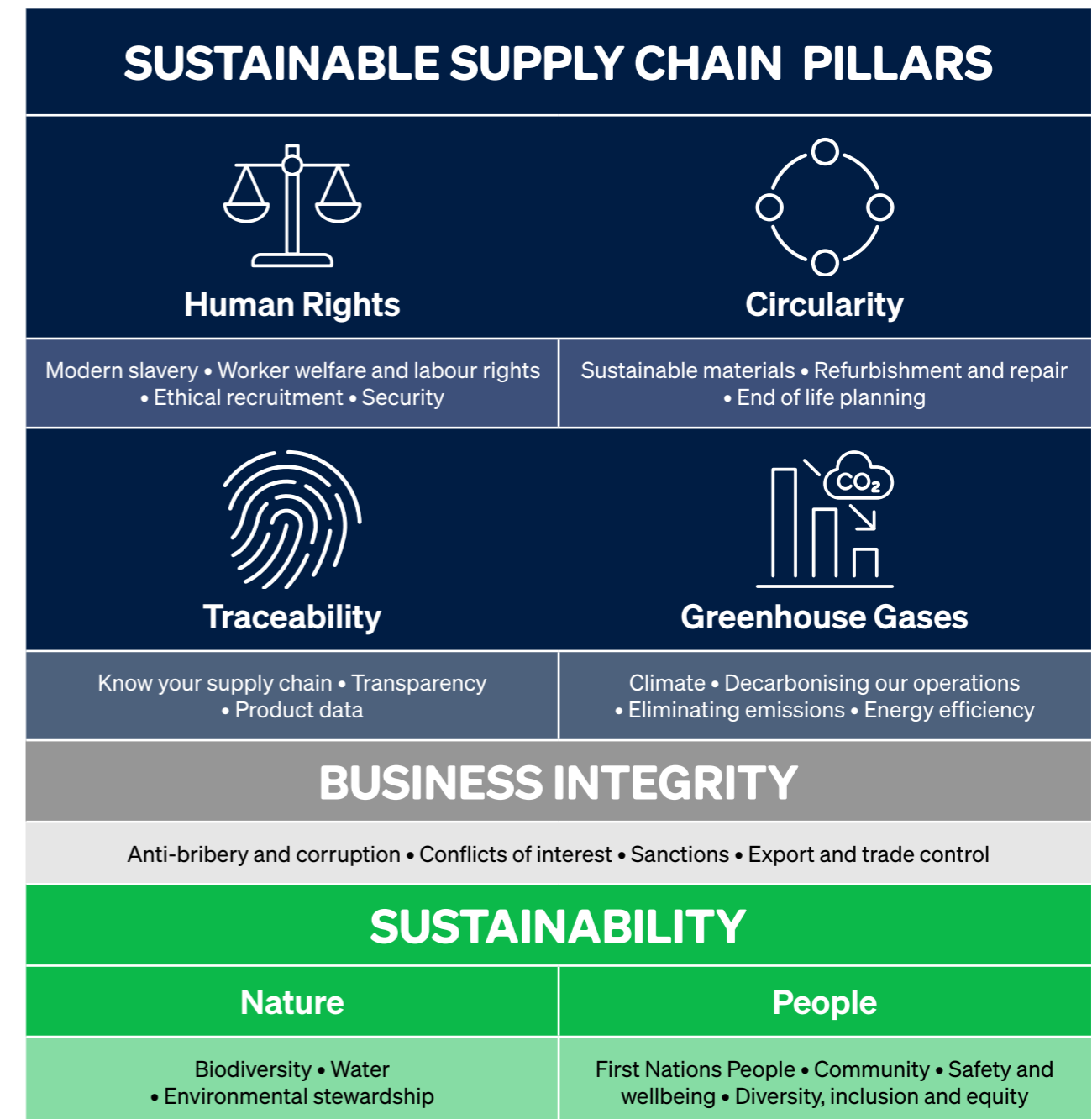


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# 1. STRUCTURE

Sustainable Supply Chain Pillars and related activities are led by Fortescue's Contracts and Procurement function. Business Integrity and Sustainability are delivered through other functional teams as outlined in our [governance framework](#) and in our annual reporting suite.



Sustainable Supply Chain Pillars

Business Integrity

Nature

People

Incident Response



## 2. WHAT IS SUSTAINABLE SUPPLY CHAIN?

We are committed to advancing sustainable supply chain practices. This includes our upstream suppliers who support and contribute to our operations, projects and products. Our approach to Sustainability is set out on our [website](#).

**Our vision is to pioneer collaborative sustainable supply chain practices that generate long term value and net positive outcomes for humanity and the natural environment.**

### Driving Sustainable Supply Chain Outcomes

By combining our efforts with our suppliers, we create value and deliver sustainable outcomes across our supply chains by:

- Reducing harm to people and planet through proactive risk identification, mitigation, and management.
- Accelerating progress toward Real Zero and reducing global emissions.
- Improving working conditions throughout our supply chain to build safer and more engaged workforces.
- Ensuring compliance with legal requirements and international standards.
- Strengthening supply chains for greater stability, reliability and resilience.
- Prioritise Values-aligned suppliers to foster genuine partnerships.
- Contributing to Thriving Communities.
- Leading with innovation to discover new ways to operate more sustainably.

You can read about our future state ambition to in our [Sustainable Supply Chain Principles](#).

This Standard captures our mission to establish and maintain responsible, sustainable supply chains for our operations, projects and products by reducing emissions, promoting decent work, and driving Circularity and delivering value for people, partners, and the planet.

## 3. WHAT IS FORTESCUE'S APPROACH?

Our approach to sustainable supply chain is based on the 5-step OECD Due Diligence Guidance and is an integrated part of our sourcing processes. We are committed to working with our supply chain to:

- Identify and assess adverse impacts by conducting risk-based due diligence.
- Implement mitigation measures to manage risk and minimise harm.
- Monitor effectiveness of mitigation measures and track implementation.
- Be transparent about the outcome of our actions by communicating directly with our suppliers, through industry/civil society collaboration and external disclosures.
- Co-design and action corrective actions where issues are identified.
- Build supplier capability to implement sustainable supply chain practices into their own operations.



## 4. WHAT DO WE EXPECT FROM OUR SUPPLIERS?

We expect all suppliers (you, your) to:

- Promote a culture of transparency at every level within your business operations and with your suppliers, operate responsibly and establish systems and processes appropriate to size and industry.
- Show evidence of your due diligence approach and actively participate in Verification Activities with us when required, including responding to document requests, and collaborating on third party site-based assessments for worker welfare or traceability assessments.
- Take proactive steps to identify, mitigate and manage risk and opportunities in your operations and supply chain. Where a potential or actual incident or breach occurs, investigate and notify us immediately, remediate harm and implement measures to stop it happening again.
- Communicate frequently. Ask for help, escalate challenges and talk to us about risks in our shared supply chain.

We recognise that not all suppliers will have a fully developed approach to sustainable supply chain and not every organisation’s journey will look the same, but as a minimum:

- **Prioritising committed partners** – We seek suppliers who actively work towards sustainable supply chains alongside us.
- **Leadership-driven integrity** – Your senior leadership should set the “tone from the top” for sustainability, business integrity, and governance compliance.
- **Accountability in verification** – We partner with suppliers who take Verification Activities seriously. Our global verification program includes adverse media screening, worker welfare assessments, and traceability assessments in our supply chain.
- **Ownership and remediation** – You must take responsibility for any adverse findings, in your direct operations or supply chain, remedy accordingly and communicate remediation updates when requested.

## 5. HOW TO APPLY THIS STANDARD

This Standard applies to all Fortescue suppliers providing goods, services and works globally, including contractors and subcontractors and their workforces, and workers in the respective supply chains.

It describes the minimum requirements we expect from you with respect to sustainable supply chain in addition to:

- Local and international law;
- Obligations set out in Fortescue’s [Code of Conduct and Integrity](#);
- Fortescue Policies and Standards ([Section 14](#)), Legislative Context ([Section 12](#)), international Standards ([Section 13](#)); and,
- The terms of any agreement between us.

The Standard is not exhaustive. It must be applied with a risk-based approach appropriate to your business size and industry. Examples are intended as guidance only and illustrate our expectations in principle. This Standard and any guidance provided by us should be applied in accordance with applicable law and regulation of the location in which goods are being produced or services or works are being delivered, as well as the relevant agreement.



# 6. SUSTAINABLE SUPPLY CHAIN PILLARS

## 6.1 Human Rights

We are committed to **respecting and supporting Human Rights of all people.**

You are expected to respect Human Rights in their operations and supply chain, including respecting labour rights, rejecting Modern Slavery and providing fair, lawful, safe and decent working conditions.

In our supply chain, this means:

- Zero tolerance of Modern Slavery, including Child and Forced Labour, Forced Prison Labour, Servitude, Bonded Labour, Deceptive Recruitment, Human Trafficking and Slavery.
- Prohibition of discrimination, harassment, sexual harassment, and bullying.
- Compliance with all applicable laws and regulations on labour, employment and working conditions, including applicable laws for young and student workers.
- Recruitment processes are fair, ethical and transparent.

**We expect you to take responsibility for Human Rights in your operations and supply chain.**

**You must take accountability to ensure that all workers:**

- ✓ Have fair, safe and decent working conditions.
- ✓ Never pay recruitment fees or associated costs for a job.
- ✓ Conduct all work, including overtime, on a voluntary basis, free from coercion or deception.
- ✓ Are provided with a written contract, in a language they can understand, and clearly stating the terms and conditions of employment.
- ✓ Are paid wages and benefits that meet or exceed national legal standards, including payment for overtime.
- ✓ Are paid on time into their nominated bank account and provided payslips.
- ✓ Are free to participate in a trade union or other collective organisation of their choice.
- ✓ Take regular breaks and legally required rest days as a minimum, including rest required for overtime.

**You must never:**

- ✗ Take unauthorised or unlawful deductions from a worker's wages (for example, for disciplinary or penalty purposes).
- ✗ Ask workers to pay security deposits or bonds (for example, monetary deposits that are forfeited for damage to tools, or a bond that is forfeited if the worker leaves their job within a set period).
- ✗ Retain or ask a third party to secure a worker's original personal identification or right to work documents (such as passports or visa paperwork).
- ✗ Expect workers to work beyond legal working time limits, or force workers to work overtime beyond their contracted maximum hours or legal limits.

**What are examples of practical actions you can implement to meet the above requirements?**

**In your own operations:**

- Implement measures to identify and address Human Rights and Modern Slavery risks in your operations and supply chain.
- Publicly state your commitment to Human Rights and establish supporting policies, process and governance mechanisms. As a minimum this should include a supplier code of conduct, Human Rights policy and supply chain due diligence policy.
- Provide training to your employees on labour rights, local labour laws, ethical recruitment practices and how to apply supporting policies.
- Establish a fatigue management system used by all employees to mitigate excessive overtime and manage time off.
- Work with labour hire and/or recruitment agencies to ensure all recruitment costs are borne by the employer and not the worker.
- Test the effectiveness of your processes. This might include undertaking an internal personnel audit to verify identification, ages and bank accounts of employees.
- Report on your supply chain due diligence, internally with senior leadership and publicly through external reports.

**With your supply chain:**

- Provide training to your procurement team to identify, mitigate and manage Human Rights and Modern Slavery risks in your supply chain.
- Establish processes and controls for undertaking due diligence of your direct suppliers and indirect supply chain.
- Engage with your suppliers on their approach to protecting workers in their operations and supply chain and encourage collaboration on due diligence efforts.
- Hold your suppliers accountable by including Human Rights requirements into standard contractual obligations and publish clear supply chain policies.
- Assess and verify supplier compliance. This may include self-assessment questionnaires, worker welfare assessments conducted by an independent third party or asking your suppliers for other evidence.



## 6.1.1 Human rights and security services providers

There are specific requirements if you are providing security services or employing security personnel on our behalf.

For security services providers, this means:

- Compliance with laws for security operations and registration.
- Recruitment of qualified security personnel.
- Lawful and appropriate force commensurate to the level of risk.

**We expect all security services providers to take responsibility for Human Rights in their operations.**

**You must never:**

- ✗ Engage in unlawful conduct.
- ✗ Use unlawful force under any circumstances.

**What are examples of practical actions you can implement to meet the above requirements?**

- Publicly state your commitment to operating lawfully and with appropriate force. This may be a code of conduct or statement on your website.
- Undertake screening and due diligence of service providers and/or security personnel prior to engaging.
- Implement proper use of security risk assessments.
- Provide appropriate training to security personnel to ensure understanding of the use of force continuum.
- Communicate your expectations with your provider and/or personnel. This may be contractual obligations or an employee code of conduct.
- Undertake regular audits to verify compliance with your governance (e.g. your code of conduct) for security services, laws and regulation, and proper application of the use of force continuum.
- Use Fortescue's grievance mechanisms and refer complaints onto Fortescue.

## 6.2 Greenhouse Gases

We are committed to **achieving Real Zero** by 2030.

In our supply chain, this means:

- A world without fossil fuels and achieving Real Zero.
- Decarbonisation through innovation and technology.
- Energy efficient ways of working and less energy intensive processes.

**We expect you to contribute to our journey towards Real Zero by reducing emissions on our sites and in their operations.**

**You must take accountability for:**

- ✓ Reducing carbon emissions and use of diesel or fossil fuel powered equipment at our sites.

**You are working towards:**

- ✓ Eliminating fossil fuels in your own operations.
- ✓ No fossil fuels in your supply chain.
- ✓ Understanding direct exposure to Climate Change risk in your operations and supply chain.

**What are examples of practical actions you can implement to meet the above requirements?**

**In your own operations:**

- Understand your emissions footprint and how they relate to our targets.
- Set your own decarbonisation targets and establish supporting policies, emissions methodology, data collection and reporting mechanisms.
- Publicly state your commitment to reducing emissions. You may consider reporting progress externally.
- Use data to identify high emitting activities and prioritise decarbonisation of your operations where it is most impactful:

**Assets** - Review your assets and identify green alternatives for fossil fuel powered equipment. This could be off-site electric vehicles or on-site battery-powered heavy mobile equipment.

**Infrastructure** - Proactively consider what supporting infrastructure is required to eliminate fossil fuels in your organisation. This might include charging stations for electric vehicles or equipment.

**Energy** - Prioritise renewable energy sources and power purchasing agreements to power your facilities.

**People** - Review what future skillsets and talent is required in your organisation to eliminate fossil fuels. Provide training to your employees on climate risk, basic emissions accounting (Scope 1, 2 and 3) and how to apply your policies to reduce emissions.



#### With your supply chain:

- Communicate your decarbonisation targets and expected milestones to your suppliers. This could be on your website, tender documentation, external disclosures or supplier training materials.
- Provide training to your procurement team so they understand emissions intensive industries, processes or products, and appropriate actions to reduce emissions in your supply chain.
- Hold your suppliers accountable by including emission reduction requirements into standard award criteria and contractual obligations.

### 6.3 Circularity

We are committed to **optimising resource use and minimising waste to landfill**.

In our supply chain, this means embedding Circularity principles by:

- Minimising virgin materials through efficient design and using secondary materials.
- Prolonging the life and use of equipment through durability, proactive maintenance, and refurbishing.
- Minimising waste by diverting materials from landfill that can otherwise be reclaimed, reused or recycled.
- Recycling materials and products when there is no lower impact alternative.
- Seeking data driven and evidence-based sustainability credentials for products and services.

**We expect all suppliers to contribute towards implementing Circularity principles on our sites and in the goods you sell.**

#### You are working towards:

- ✗ Minimal material waste generated during manufacturing and end of life.
- ✗ Minimal virgin materials are used to manufacture new products.
- ✓ Products can be disassembled and repaired or refurbished, with scheduled ongoing maintenance.
- ✓ An end-of-life strategy for all products and materials that minimises waste to landfill.
- ✓ Environmental impact of products are understood and evidence-based, with data that can be shared with us.

#### What are examples of practical actions you can implement to meet the above requirements?

- Proactive, regular and expert maintenance of equipment to maintain efficiency and prolong its life.
- Establish an appropriate waste management approach in your operations to eliminate waste.
- Minimise packaging materials and eliminate use of plastic packaging where possible.
- Design for sustainability throughout product Life Cycle: system design, material selection, manufacturing, use, assembly for refurbishment or repair, and responsible disposal.
- Adopt an ordered approach to Circularity, from minimising input materials as a priority, through to recycling and waste recovery when there are no alternatives.

#### If you are producing goods or supplying raw materials:

- Assess and disclose the social and environmental impact of material choices and sources, including extraction methods, recyclability and disposal at end of life.
- Empower engineering and product teams to design and solve for sustainability.
- Facilitate repair and refurbishment by offering directly to customers or providing disassembly instructions for self-service.
- Provide end of life options for recycling a product or materials.
- Capture and monitor environmental impact of your products. Examples include Lifecycle Assessments, Digital Product Passports or Environmental Product Disclosures.

## 6.4 Traceability

We are committed to **building transparency through collaboration**.

In our supply chain, this means:

- Adopting 'know your supply chain' principles: a deep knowledge of raw materials and source of origin, processes and manufacturing locations for products.
- Undertaking enhanced due diligence for high-risk supply chains, including renewables and critical materials.
- Implementing strategies to reduce exposure to high-risk supply chains by identifying lower risk materials or sources of origin and developing partnerships with suppliers who implement similar approaches in their supply chains.

**We expect you to collaborate with us to achieve traceability for high risk and/or strategic goods and materials.**

**You must support development of:**

- ✓ Fully traceable supply chains from raw material extraction to assembly of final product.
- ✓ Verifiable supply chain traceability data which can be fully disclosed to their customers.
- ✓ Sustainability performance and credentials of products that are certified by an independent third party.

**What are examples of practical actions you can implement to meet the above requirements?**

**In your own operations:**

- Implement an internal traceability system suitable for your business to collate, manage and digitalise supply chain data and movement of materials.

**With your supply chain:**

- Verify where your key inputs, materials or products are sourced from. This may include supply chain mapping, commissioning a traceability assessment conducted by an independent third party or asking your suppliers for other evidence for source of origin.
- Adopt relevant international sustainability certifications or standards such as, for critical minerals, biofuels or responsible sourcing of minerals from conflict-affected high-risk areas.
- Hold your suppliers accountable to ongoing transparency through source of origin reporting or chain of custody contractual obligations.
- Facilitate information sharing by structuring contracts with sub-suppliers to enable sharing of supply chain and due diligence information with customers.
- Verify the effectiveness of your processes, this might include regular reporting to leadership, analysis of grievance data or undertaking Verification Activities such as desktop traceability assessments.





# 7. BUSINESS INTEGRITY

We are committed to **operating with Integrity**.

In our supply chain, this means:

- Responsible business conduct involving transparency, accountability and a zero tolerance of bribery and corruption.
- Identification, disclosure and appropriate management of actual, potential and perceived conflicts of interest.
- Robust compliance with relevant sanctions and trade control laws and regulations.
- A speak up culture where personnel feel comfortable to raise concerns regarding actual or suspected instances of unethical or unlawful conduct.

This applies to all suppliers, contractors, workers and goods sourced in our supply chain.

**We expect you to operate with integrity.**

**You must have processes and controls to ensure:**

- ✗ No incidents of bribery or corruption, direct or indirect, in the public or private sector (including the making of Facilitation Payments).
- ✗ No breaches of relevant sanctions or trade control laws or regulations.

**You must always ensure:**

- ✓ Open and transparent disclosure of ownership (including ultimate beneficial ownership).
- ✓ Timely disclosure and risk-appropriate management of actual, potential and perceived conflicts of interest.

**What are examples of practical actions you can implement to meet the above requirements?**

**In your own operations:**

- Establish an appropriate governance structure to support responsible business conduct, including policies, procedures and processes to implement within your operations relative to the size of your business. This may include a code of conduct.
- Ensure adequate resourcing of your company's governance and compliance function relative to the size of your business and exposure to business integrity risk.
- Undertake regular risk assessments of your company's operations to ensure business integrity risk is fully understood and adequately mitigated.
- Test critical controls to ensure robust implementation and effectiveness.
- Undertake due diligence and ongoing monitoring of internal/external stakeholders including but not limited to employees, customers, suppliers and investors to ensure alignment to business integrity requirements for lifetime of engagement.

- Disclose actual, potential or perceived conflicts of interest and collaborate with us on an appropriate management plan.
- Train your employees on responsible business conduct and expectations of suppliers.

**With your supply chain:**

- Communicate your minimum expectations and future state to your suppliers. This could be on your website, tender documentation, external disclosures or supplier training materials.
- Provide training to your procurement team to identify, mitigate and manage business integrity risk with suppliers.
- Collaborate with your suppliers to undertake joint due diligence and screening in your joint supply chain.





# 8. NATURE

We are committed to **safeguarding natural systems**.

In our supply chain, this means:

- Minimal environmental impact directly and indirectly from our activities.
- Responsible management of natural resources, including biodiversity and water.

This applies to all suppliers, contractors and subcontractors in our supply chain.

## We expect you to contribute to safeguarding of natural systems

### You are working towards:

- ✓ Sustainable water management.
- ✓ No net loss of biodiversity, and where possible, a net-positive impact.

## What are examples of practical actions you can implement to meet the above requirements?

### In your own operations:

- Publicly disclose your environmental commitments. Establish supporting policies, metrics and targets to responsibly manage natural resources, such as biodiversity and water. This might be an externally published environmental policy.
- Implement a risk mitigation hierarchy to reduce your impact where business activities may have an adverse effect on natural resources.
- Empower design and engineering teams to evaluate sustainability criteria during initial design phase to reduce environmental impact of products.

### With your supply chain:

- Communicate your commitments to your suppliers. This could be on your website, tender documentation, external disclosures or supplier training materials.
- Assess nature impact of raw material extraction or manufacturing processes for key goods or inputs, and work with suppliers to mitigate adverse impacts.

# 9. PEOPLE

We are committed to contributing to **Thriving Communities wherever we work**.

In our supply chain, this means:

- Compliance with all health and safety policies, rules and procedures.
- Fostering safe, inclusive workplaces where everybody is physically and psychologically safe.
- Employment of local communities, including Indigenous People.
- Sourcing of local goods and services.

This applies to all suppliers, contractors and workers in our supply chain.

## We expect all suppliers to contribute to Thriving Communities in their workforce and places of operation.

### You must ensure that all workers:

- ✓ Feel safe, respected and are treated equally in the workplace.
- ✓ Are aware of and take responsibility of the health and safety requirements of their role.
- ✓ Are represented in a diverse workforce, including from local communities, Indigenous Peoples and ethnic minority groups.

### You must develop:

- ✓ Defined opportunities for Local Content and Indigenous Peoples businesses.

## What are examples of practical actions you can implement to meet the above requirements?

### In your own operations:

- Provide training to your employees on health and safety, wellbeing, diversity and inclusion, discrimination, cultural awareness, and how to apply your supporting policies.
- Communicate with local communities and engage relevant stakeholders to maximise Local Content opportunities, including Indigenous Peoples and ethnic minority groups.

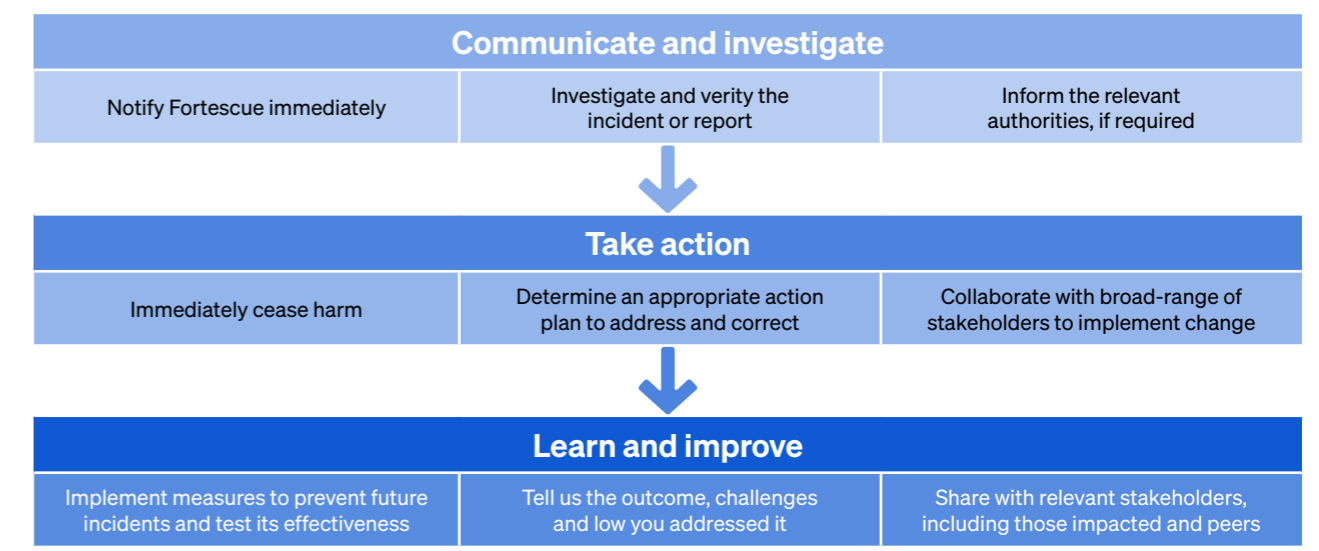
### With your supply chain:

- Communicate your minimum expectations and future state to your suppliers. This could be on your website, tender documentation, external disclosures or supplier training materials.
- Consider contribution to local employment and businesses in award criteria, including Indigenous Peoples.



# 10. INCIDENT RESPONSE

If there is a potential or actual Human Rights or sustainability related incident in your operations or supply chain, you are expected to investigate, remedy and make good on any harm caused acting in accordance with the relevant agreement.



## 10.1 Grievance Mechanisms

It is important that you offer anonymous and public grievance mechanisms for anyone to report concerns or misconduct in your organisation or value chain free from negative consequences; this includes, but is not limited to, direct employees, community members, customers or clients, contractors and sub-contractors and their workforces, and workers in your supply chain.

Grievance mechanisms can include whistleblower hotlines, online forms, employee surveys, suggestion boxes or worker committees.

## 10.2 How to report an issue to Fortescue

[Speak Up](#) is a secure, confidential and independent channel that anyone can access to raise concerns, including our suppliers, contractors, subcontractors and workers in our extended supply chain (our indirect suppliers).

Any suspected breaches of Fortescue's [Code of Conduct and Integrity](#), relevant policies, procedures and standards including instances of bribery and corruption, conflicts of interest, fraud, breach of relevant sanctions and trade controls laws and regulations, and Human Rights abuses can be reported through [Speak Up](#).



# 11. DEFINITIONS

Word/term	Definition
Beneficial Ownership	A natural person who directly or indirectly owns 20% or more of an asset or company (even if the legal title is in another name). This person has the right to receive income, dividends or other economic benefits, and may or may not have control over the company.
Bonded Labour (Debt Bondage)	Situation where a person (adult or child) is obliged to work in slave like conditions to repay debts of their own, their parents or other third party, including situations where workers have taken out unfavourable loans, excessive fees or owe interest to pay recruitment fees or associated costs of employment.
Circularity	An approach that aims to minimise negative impacts of materials, products, and resources throughout their Life Cycle. This is primarily achieved by reducing raw material extraction, emissions, and waste. The use of virgin resources is minimised and resources in use are circulated as much as possible, for example by reducing waste during manufacturing, designing for ease of repair, reusing or recycling materials after use.
Chain of Custody	Documentation tracking and collecting the information related to the ownership and movement of materials through the supply chain.
Child Labour	Work that is hazardous to a child's health and development, demands too many hours, and/or is performed by children who are too young, usually, child labour interferes with a child's right to education and to play.
Climate Change	Long-term shifts in temperatures and weather patterns.
Contracts and Procurement	Team responsible for managing and/or supporting all procurement activities for Fortescue, including but not limited to major projects, operations and metals exploration, green energy, international and Fortescue Zero.
Deceptive Recruitment	A practice where prospective workers are tricked, deceived or coerced into jobs they did not volunteer for and are unable to leave. Deceptive recruitment practices can include false promises regarding working conditions and wages, but also regarding the type of work, housing and living conditions, acquisition of regular migration status, job location or identity of the employer.
Digital Product Passport	A digital document that contains essential information about a product, such as its origin, materials, environmental impact, and disposal guidelines. This information is digitally accessible to stakeholders throughout the product's Life Cycle.
Environmental Product Disclosure	Independently verified and registered document that communicates transparent and comparable information about the Life Cycle environmental impact of products.
Facilitation Payments	A small payment or other inducement provided to a government official to expedite a routine government transaction the government official is ordinarily obliged to perform. Facilitation payments are usually small cash payments, they are never published, and official receipts are not provided. Facilitation payments are often considered to be "small bribes" and are prohibited by Fortescue. Government processes which are frequently prone to requests for facilitation payments in high-risk countries are customs clearance, border crossing, visa processing, permits, police checks, cargo surveys and cargo handling (ports & airports).
Forced Labour	All work or service which is exacted from a person under the threat of a penalty and for which the person has not offered themselves voluntarily.
Forced Prison Labour	The work or services of prisoners if they are hired or placed at the disposal of private individuals, companies or associations involuntarily and without supervision of public authorities, the circumstances are usually inhuman and mirror slavery like conditions.
Fortescue (we, our, us)	Fortescue Ltd all subsidiaries and employees.
Greenhouse Gases (GHG)	Primarily carbon dioxide, methane, nitrous oxide, hydrochlorofluorocarbons and hydrofluorocarbons. When these gases accumulate in the atmosphere, they trap infrared radiation from the Earth keeping it warm; this is known as the greenhouse effect which is accelerated by human activities leading to Climate Change

Indigenous Peoples	According to the International Finance Corporation there is no universally accepted definition of Indigenous Peoples. Indigenous Peoples may be referred to in different countries by such terms as "Indigenous ethnic minorities," "aboriginals," "hill tribes," "minority nationalities," "scheduled tribes," "first nations," or "tribal groups".
Human Rights	Basic rights and freedoms of all people. Human Rights are based on principles of dignity, equality and respect and are inherent to apply people, without discrimination. These rights and freedoms, and businesses responsibility to respect human rights, are set out in international human rights laws and standards such as the International Bill of Human Rights, ILO Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.
Human Trafficking	The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power or vulnerability or of giving or receiving payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
Life Cycle	A view of a product system as "consecutive and interlinked stages from raw material acquisition or generation from natural resources to Final disposal. This includes all material and energy inputs as well as emissions to air, land and water.
Life Cycle Assessment	Compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its Life Cycle.
Local Content	Development of the national economy through the participation of national citizens in the project/ organisations workforce and supply chain.
Modern Slavery	Situations of slavery, forced labour, deceptive recruitment practices, child labour and exploitation in which a person cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power.
OECD Due Diligence Guidelines	The OECD Due Diligence Guidelines is an international standard providing guidance to businesses on how to understand and implement due diligence processes for responsible business conduct. It includes a five-step due diligence process for identifying, assessing and addressing impacts in business activities including, for example, human rights and other topics.
Real Zero	Eliminating fossil fuels with no offsets. Fortescue's commitment is to achieve Real Zero Scope 1 and 2 emissions for our Australian terrestrial iron ore operations by 2030.
Source of Origin	The country or region a raw material was extracted from or a good was manufactured.
Servitude	Condition of a person who provide labour or service and who, because of the use of coercion, threat or deception, would not consider himself or herself to be (a) free to cease providing labour or services, (b) free to leave the place where the person provides labour or services (c) is significantly deprived of his or her personal freedom.
Slavery	The status or condition of a person whom any or all of the powers attaching to the right of ownership are exercised.
Traceability	The process of tracing materials through the supply chain, including from raw material extraction to manufactured product.
Traceability Assessment	Verification Activities conducted to evaluate a supplier's ability to track materials throughout its supply chain, including Source of Origin.
Verification Activity/ Activities	Work undertaken by Fortescue or nominated third parties to evaluate a supplier's compliance with and ability to meet sustainability requirements.
Worker Welfare Assessment	Verification Activity to assess compliance against local labour laws, international standards and on-the-ground working conditions, and to measure the effectiveness of a supplier's capability to understand, manage and rectify Human Rights risks, employment practices, compliance with local labour laws and international standards, and how it respects the rights of its workers.



# 12. LEGISLATIVE CONTEXT

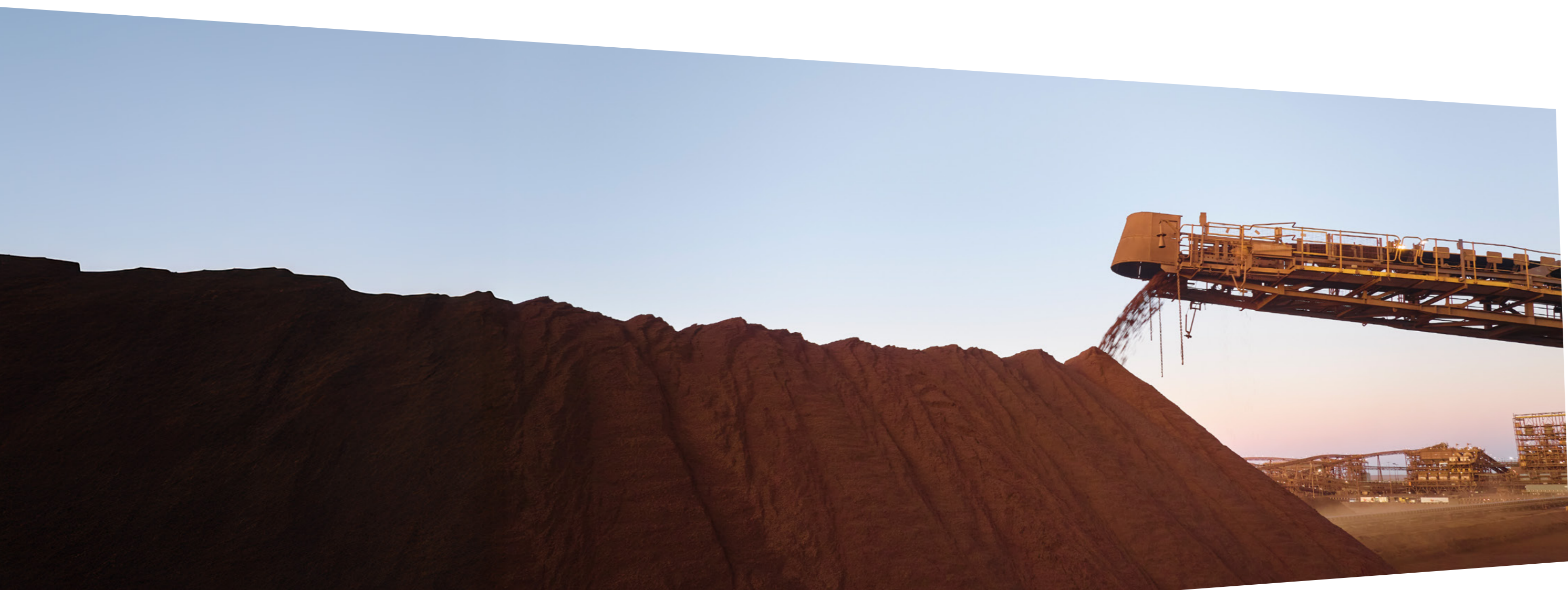
The following legislation provides the broad framework for which this Standard must operate and with which it needs to comply. This section is non-exhaustive, and application may be scope specific\*.

### Act / Regulation

Corporate Sustainability Due Diligence Directive (EU)*	European Eco-design Directive / Eco-design for Sustainable Products Regulation 2024 (EU)*
Carbon Border Adjustment Mechanism (EU and UK)*	Modern Slavery Act 2015 (UK)
Critical Raw Materials Act 2024 (EU)*	Modern Slavery Act 2018 (Australia)
European Battery Regulation 2023 (EU)*	Norway Transparency Act 2022*

# 13. STANDARDS

- [Conflict Affected and High-Risk Areas \(CAHRAs\)](#)
- [Greenhouse Gas Protocol](#)
- [International Code of Conduct Association](#)
- [International Labour Organisation Declaration on Fundamental Principles and Rights at Work](#)
- [ISO 59004:2024 – Circular economy - Vocabulary, principles and guidance for implementation](#)
- [ISO 14001:2015 - Environmental management systems](#)
- [Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Business Conduct](#)
- [Ten Principles of the United Nations Global Compact](#)
- [United Nations Guiding Principles on Business and Human Rights](#)
- [United Nations Sustainable Development Goals](#)
- [Voluntary Principles on Security and Human Rights](#)





# 14. REFERENCES

The following list is intended as a reference only and is not exhaustive. It is the responsibility of the supplier to obtain and align with all Fortescue policies, standards and procedures applicable and in addition to terms of any agreement.

- [Code of Conduct and Integrity](#)
- [Procurement Policy](#)
- [Health and Safety Policy](#)
- [Human Rights Policy](#)
- [Anti-Bribery and Corruption Policy](#)
- [Sanctions and Trade Controls Policy](#)
- [Environment Policy](#)
- [Whistleblower Policy](#)
- [Diversity Policy](#)
- [Declarations of Interest Policy](#)
- [Packaging, Marking and Document Standard](#)
- [Climate Change Policy](#)
- Communities and Social Performance Standard
- Security Code of Conduct

# 15. DOCUMENT CONTROL

## Sustainable Supply Chain

Status	Issued for use	21 May 2025
Summary of Changes	<ul style="list-style-type: none"> <li>• Redrafted for global application with supplementary guidance information included to support supplier interpretation of requirements.</li> <li>• Alignment to Fortescue's Sustainable Supply Chain Pillars (Human Rights, Circularity, Greenhouse Gases and Traceability), Group Sustainability Pillars (Climate, Nature, People) and Business Integrity.</li> <li>• New sections on Legislative Context, and updated Standards and References.</li> <li>• Formatting and document structure changes, including name change from Sustainable Procurement Standard to Sustainable Supply Chain Standard.</li> </ul>	
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