

Statement

Coronavirus (COVID-19) Update – Supplier Terms

20 March 2020: Fortescue Metals Group (Fortescue) is a leading Australian business and we take our responsibility to our suppliers and business partners seriously. We have always acted with integrity in our dealings with our business partners and our payment terms are designed to support them to manage their cashflow and operations.

In late 2016, Fortescue introduced payment terms for small Aboriginal and Pilbara based businesses of 14 days from date of receipt of invoice. Currently 200 businesses have taken advantage of these payment terms.

Fortescue understands the ongoing impact of COVID-19 will be challenging for many in our community, especially small businesses, and we are implementing practical solutions to support them during this time of uncertainty.

For the period of the COVID-19 pandemic, Fortescue will offer 14 day payment terms to all small businesses, benefitting an additional 250 suppliers.

We will also work proactively with all suppliers that have specific cashflow challenges on a case by case basis to look at options for accelerated payment terms.

Background

Fortescue defines a small business as having less than 20 employees, revenue below A\$10 million and Fortescue's spend is less than A\$2 million.