



# Standard

## Anti-Bribery and Corruption Standard

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Company Secretariat

November 2021

100-ST-AD-0001 Rev #2

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<b>Anti-Bribery and Corruption Standard</b>			
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<b>Authors</b>	Meagan Pillinger and Stephen Insch Fortescue Governance and Compliance Team		
<b>Checked or Squad Review# (if applicable)</b>	Cameron Wilson Company Secretary		
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<b>Meagan Pillinger Stephen Insch</b>	<b>Cameron Wilson</b>	<b>Audit, Risk Management and Sustainability Committee</b>	2	IFU	8/11/2021

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## 1. **PURPOSE**

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The purpose of this Anti-Bribery and Corruption Standard (“Standard”) is to assist Fortescue Employees and Third Parties, who may act on our behalf, to understand, implement and comply with Fortescue’s Anti-Bribery and Corruption prohibitions, standards, and controls.

This Standard also provides information which is relevant to the implementation of Fortescue’s Anti-Bribery and Corruption Policy including definitions, roles and responsibilities, legislative context, and references to other relevant Fortescue standards.

It is the responsibility of all Employees and Third Parties engaged by Fortescue to comply with this Standard. Fortescue’s Code of Conduct and Integrity also clearly outlines the standards of conduct expected from Fortescue Employees and Third Parties who may act on our behalf.

Fortescue has established a Business Integrity Program aimed at preventing, detecting, investigating, and mitigating the risk of Bribery and Corruption in our business dealings.

Accordingly, this Standard provides details of who to contact for compliance advice and assistance relating to disclosure, endorsement, or pre-approval requirements, or any of the standards and controls established herein.

Fortescue’s Basic Anti-Bribery and Corruption Policy Prohibitions are set out below:

- *In terms of Fortescue’s approach to Bribery and Corruption, our policy is clear. Fortescue has a zero-tolerance approach to Bribery and Corruption.*
- *Fortescue prohibits Bribery and Corruption in all its forms, whether direct or indirect; whether in the private or public sector; whether in our home jurisdiction of Australia, or anywhere in the world where Fortescue does business.*
- *Fortescue is committed to conducting its business ethically and in compliance with applicable laws and regulations. Fortescue only conducts its business in a manner consistent with the laws of the countries where it operates, including domestic Anti-Bribery and Corruption laws, and international convention-based laws aimed at combatting Bribery of Foreign Government Officials.*

Bribery and Corruption is morally wrong. It is a persistent problem which negatively impacts communities, drives poverty, and adversely affects economic growth in developing countries. No country is immune to Bribery and Corruption, with private and public sector corruption evident in even the wealthiest of countries.

In terms of laws which combat the global problem of Corruption by criminalising Bribery, it is generally a criminal offence to engage in a corrupt act or to give or receive a Corrupt Payment.

Fortescue and its Employees face the risk of reputational damage, prosecution, fines, and/or imprisonment if Anti-Bribery and Corruption laws are violated.

## 2. DEFINITIONS

Table 1: Glossary

Word/Term	Definition
<b>Fortescue</b>	Fortescue Metals Group Limited, including all subsidiaries and Employees.
<b>Bribery</b>	<p>Means the unlawful offering, promising, giving, receiving or solicitation of “anything of value” to obtain an unfair business advantage or decision which a business or individual would ordinarily not be entitled to (“Bribe”).</p> <p>In the context of Anti-Bribery and Corruption laws, this includes but is not limited to the following items, which may be given legitimately, but under certain circumstances could be viewed by a regulator as Bribes or Corrupt Payments:</p> <ul style="list-style-type: none"> <li>• Gifts, Entertainment and Sponsored Travel or Other Items of Value.</li> </ul> <p><b>“Other Items of Value” includes, but is not limited to:</b></p> <ul style="list-style-type: none"> <li>• Cash or Cash Equivalents</li> <li>• Offers of employment or internships</li> <li>• Per Diems</li> <li>• Political Donations</li> <li>• Charitable Donations</li> <li>• Sponsorships</li> <li>• Community Development Projects</li> </ul>
<b>Business Integrity Program</b>	Means the Fortescue compliance program (including policies, procedures, and internal controls) implemented under the guidance of the Governance and Compliance Team to assist Fortescue addressing specific risks including Anti-Bribery and Corruption, economic and trade sanctions compliance, competition law, privacy, export controls, human rights, and modern slavery.
<b>Business Partners</b>	Means the generic term “Business Partner” which is used within the Fortescue SAP system/environment to refer to any Third Party which we transact with.
<b>Community Development Projects</b>	Means any Community Development Project (or investment in such a project, or a community program) which is designed to provide a benefit to the local community, including first nations and indigenous communities. This may include the construction of hospitals, schools, or other utilities or programs which will benefit the community, usually in an area where Fortescue is operating or developing projects.
<b>Corruption</b>	Means the abuse of a position of power, by Government Officials or Private Individuals, to obtain an improper financial advantage (Corrupt Payment) to personally enrich themselves and potentially also co-conspirators. Corruption may extend to criminal conduct such as Bribery, fraud, or embezzlement, in either the public or private sectors.
<b>Corrupt Payments</b>	Means Bribes, Facilitation Payments, and/or Secret Commissions.
<b>Charitable Donations</b>	Means a donation provided to a Third Party for charitable purposes.
<b>Delegated Approver</b>	Means an Employee who has authority to approve a business transaction. In certain circumstances, approval may be required in relation to activities described in this Standard or associated with the Business Integrity Program. The Governance and Compliance Team will confirm the Delegated Approver for transactions related to this Standard, in accordance with the Delegated Approvals Policy. This may change from time to time.
<b>Duress Payments</b>	Means cash payments requested by or made to a Government Official under duress or extortion, for example; the threat of physical harm; confiscation of passport; confiscation of Fortescue property or unlawful detention or incarceration. In some high-risk countries, immigration officials, police officers or members of the military exhibit predatory behaviour and may use tactics, such as those described above, to extort money from Fortescue Employees.

<b>Word/Term</b>	<b>Definition</b>
<b>Employees</b>	Means any person employed by Fortescue; for example, Board Members, Officers, Directors, Managers, Employees or Contractors, typically possessing a Fortescue Identification Number ("FID").
<b>Facilitation Payment</b>	<p>Means 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 they are prohibited by Fortescue.</p> <p>Government processes which are frequently prone to requests for Facilitation Payments in high-risk countries are; Customs Clearance, Border Crossing – Arrivals and Departures, Visa Processing, Permits, Police Checks, Cargo Surveys and Cargo Handling (Ports &amp; Airports).</p>
<b>Gifts, Entertainment and Sponsored Travel</b>	<p>Means the following items which may be given or received as a legitimate part of doing business, but which may require disclosure or pre-approval in accordance with Fortescue's <i>Gifts, Entertainment and Sponsored Travel Standard (100-ST-CP-0002)</i>.</p> <p>This is to avoid any situation or perception where the item provided could be viewed as an inducement.</p> <ul style="list-style-type: none"> <li>• <b>Gifts</b> are generally tangible items such as promotional items, consumer goods or samples.</li> <li>• <b>Entertainment</b> relates to the entertaining of stakeholders which may include meals, beverages, or invitations to functions (e.g., concerts, charity events or sporting events). Should the host not be present at a function, the invitation should be considered as a gift.</li> <li>• <b>Sponsored Travel</b> relates to expenses incurred when travel is either fully or partially funded. Travel may relate to visiting a facility, attending a conference, or undertaking training, and can include expenses such as flights, accommodation, or transfers.</li> </ul>
<b>Governance and Compliance Team</b>	Means Employees engaged by the Company Secretariat or Fortescue subsidiaries to assist and advise Fortescue to implement the Anti-Bribery and Corruption Standard, procedures, and internal controls associated with the Business Integrity Program. This also includes the provision of specialist compliance advice, training, conducting investigations, monitoring controls and providing pre-approvals for certain higher risk items such as Gifts, Entertainment, Sponsored Travel and Other Items of Value and the engagement of Government Intermediaries.
<b>Government Intermediaries</b>	<p>Means Third Parties, including but not limited to agents, consultants, advisors, lobbyists, customs brokers, international freight agents, environmental consultants, security firms, tax advisors, accountants, and any intermediary which deals with Government Officials on behalf of Fortescue.</p> <p>Government Intermediaries are high risk from an anti-bribery perspective since most enforcement actions involving bribery of foreign officials involve foreign intermediaries making Corrupt Payments on behalf of their principals or clients, with or without their knowledge.</p>
<b>Government Official</b>	<p>Means the following:</p> <ul style="list-style-type: none"> <li>• Any person who holds an office or is appointed or elected to discharge a public duty;</li> <li>• Any political party official or candidate for political office;</li> <li>• Any official or employee of a government (whether national, state / provincial, or local) or agency, department, or instrumentality of any government or any government-owned or controlled entity (including state owned enterprises);</li> <li>• Any official or employee of any public international organisation;</li> <li>• Any person acting in an official function or capacity for such government, agency, instrumentality, entity, or organisation;</li> <li>• Any person who holds or performs the duties of any appointment created by custom or convention or who otherwise acts in an official capacity (including, some indigenous or tribal leaders who are authorised and empowered to act on behalf of the relevant group of indigenous peoples and members of royal</li> </ul>

Word/Term	Definition
	<p>families); and</p> <ul style="list-style-type: none"> <li>Any person who holds themselves out to be an authorised intermediary of a Government Official.</li> <li>For the avoidance of doubt, Government Officials and Public Officials have the same meaning.</li> </ul> <p>In some jurisdictions, certain senior members of first nations and indigenous communities such as elders, leaders or spokespersons may be Government Officials. You should consult with the Company Secretary if you are unsure.</p> <p>Bribery and Corruption involving Government Officials is referred to as Public Sector Corruption.</p>
<b>Joint Venture Partners</b>	<p>Means joint venture partners, co-venturers, co-investors, or teaming partners. These types of Third Parties may present a risk to Fortescue as they can potentially deal with foreign Government Officials or Government Intermediaries on our behalf, or in relation to our business objectives. Additionally, they may have a prior history of corruption, sanctions, or human rights violations, which would increase the risk of partnering with them. Appropriate due diligence should always be conducted on potential Joint Venture Partners.</p>
<b>Per Diem</b>	<p>Means a daily monetary allowance provided for travel expenses or attendance in connection with Fortescue’s business activities, usually taken to include accommodation, meals, travel costs and other incidental expenses. In certain circumstances, there may be no legitimate reason to pay Per Diems. For example, Government Officials may seek Per Diems when they are already being paid by their respective government agency for the performance of their duties. Per Diem is from the Latin, “Per Day”.</p>
<b>Political Donations</b>	<p>Means a donation given to political parties, politicians, candidates for political office or Government Officials to support political outcomes.</p>
<b>Politically Exposed Person (“PEP”)</b>	<p>Means an individual who holds a prominent public position or role in Government or a Public International Organisations (e.g., WHO, WTO, UN, EU), either in Australia or overseas. Immediate family members or close relatives or associates of these individuals may also be considered as PEPs.</p> <p>PEPs often have power over government decision making, including spending, budgets, government procurement processes, development approvals, award of mining tenements and grants. Since PEPs hold positions of power and influence, they may have a conflict of interest, or in the worst-case scenario could be prone to requesting inducements or Corrupt Payments.</p>
<b>Private Individual</b>	<p>In the context of anti-bribery laws, this means; any individual in their capacity as a private citizen, or employee of a business or commercial enterprise (for example, Employees of Fortescue or its Vendors) who give or receive Bribes or Secret Commissions in a purely commercial or private setting.</p> <p>This form of bribery is often referred to as “private to private” or “commercial bribery”. This type of Bribery is illegal in most countries and any Fortescue Employee or contractor found to be engaging in such conduct will be referred to the police.</p>
<b>Secret Commission</b>	<p>Means when a person or entity offers or gives a commission or benefit to an agent or representative of another person which is not disclosed by that agent or representative to their principal. Such a payment is made as an inducement to influence the conduct of the principal's business. These are also sometimes referred to as “<b>Kick Backs</b>”.</p>
<b>Sponsorship</b>	<p>Means the provision of funding or other support to promote the Fortescue brand. For example, Sponsorship of an event such as a sporting event, community event or team.</p> <p>In cases where Government Officials or PEPs are linked to the recipient, or have requested the Sponsorship, this may present risk.</p>
<b>Third Parties</b>	<p>Means any Third Party engaged by Fortescue as part of its business activities. This is also the collective term for the individually defined terms Vendors, Government Intermediaries, Government Officials, Private Individuals, Joint Venture Partners, recipients of Community Development Projects, Political and Charitable Donations or Sponsorships.</p>
<b>Vendor</b>	<p>Means companies or enterprises (including sole traders, partnerships etc) which are engaged to provide goods or services to Fortescue.</p>

Word/Term	Definition
<b>Whistleblower Hotline</b>	Means the service provided by Deloitte (Halo), which allows Employees and Third Parties to report actual or suspected misconduct, either online, by mail or by phone. Concerns may be reported anonymously.  <i><u>Whistleblower Hotline Policy (100-PO-GO-002).</u></i>

### 3. LEGISLATIVE CONTEXT

The following provides the broad legislative framework.

**Table 2: Legislation and International Conventions**

Act / Regulation
Australian Criminal Code Amendment (Bribery of Foreign Officials) Act 1999
ASX Corporate Governance Principles and Recommendations
People's Republic of China Criminal Law
People's Republic of China, Anti-Unfair Competition Law
The Corruption of Foreign Public Officials Act 1998 (CFPOA)
The United States Foreign Corrupt Practices Act 1977 (FCPA)
The UK Bribery Act 2010 (UKBA)
OECD Anti-Bribery Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions 2009 (OECD Anti-Bribery Convention)
UN Convention Against Corruption (UNCAC)
Laws of the Commonwealth of Australia or any State or Territory of Australia
Laws which prohibit Bribery and Corruption in countries where Fortescue is engaged in marketing activities, developing projects, seeking government concessions, or engaged in commercial activities.

### 4. ROLES AND RESPONSIBILITIES

The following summarises broad roles and responsibilities of Fortescue Employees in relation to performance of this Standard.

**Table 3: Roles and Responsibilities**

Role	Responsibilities
<b>The Board</b>	<ul style="list-style-type: none"> <li>Hold private sessions with the <b>Company Secretariat</b>, responsible for Anti-Bribery and Corruption activities, at least once every 12 months.</li> <li>Endorse all Anti-Bribery and Corruption Policies and Standards and ensure they are aligned to Fortescue's strategy and risk assessment.</li> <li>Specific involvement in high profile and critical decision making relating to Anti-Bribery and Corruption matters, where appropriate.</li> <li>Assurance and approval of the organisational and country specific Anti-Bribery and Corruption risk assessments.</li> </ul>



Role	Responsibilities
	<ul style="list-style-type: none"> <li>• Ensure adequate and appropriate resources for the effective management of Anti-Bribery and Corruption risk.</li> <li>• Review and follow up of all Anti-Bribery and Corruption related investigative and audit findings, recommendations, and remediation.</li> </ul>
<b>Company Secretariat</b>	<ul style="list-style-type: none"> <li>• Manage or provide oversight to the Fortescue <b>Governance and Compliance Team</b> (a sub-function established within Company Secretariat or Fortescue Subsidiaries) to assist the business with specialist compliance advice, management of Bribery and Corruption risks and the implementation and maintenance of the <b>Business Integrity Program</b>.</li> <li>• Review and update the Anti-Bribery and Corruption Policy and Standard every two years or when changes in the business require, before submitting to the Board for approval and communicating changes to Employees.</li> <li>• Provide advice, support, and pre-approvals for; <ul style="list-style-type: none"> <li>- Gifts, Entertainment and Sponsored Travel</li> <li>- Vendor Due Diligence</li> <li>- Government Intermediary Due Diligence</li> <li>- Charitable Donations, Political Donations, Sponsorships, Community Development Projects, or the provision of Per Diems</li> <li>- All other Anti-Bribery and Corruption matters.</li> </ul> </li> <li>• Investigate all reported Bribery and Corruption incidents or breaches of the Anti-Bribery and Corruption Policy and Standard, including documenting any findings, recommendations and remediation and report to the Board.</li> <li>• Maintain a Bribery and Corruption investigation case management system.</li> <li>• Review and update Anti-Bribery and Corruption training as required.</li> <li>• Provide oversight, in conjunction with the relevant executive, of enterprise level and country specific Anti-Bribery and Corruption risk assessments.</li> <li>• Maintain a register of reported Fortescue Employee's attendance at political functions.</li> </ul>
<b>Employees (Leadership Level)</b>	<ul style="list-style-type: none"> <li>• Demonstrate leadership with and communicate Fortescue's zero tolerance approach to Bribery and Corruption internally and externally, providing Fortescue's Anti-Bribery and Corruption Policy and Standard where appropriate.</li> <li>• Periodically message the Fortescue organisation on Anti-Bribery and Corruption matters, demonstrating <b>Tone at the Top</b>.</li> <li>• Seek to ensure that Fortescue's Anti-Bribery and Corruption expectations, policies, and standards are effectively communicated to all Employees and stakeholders. Communications should demonstrate leadership in raising awareness and encouraging transparent dialogue within Fortescue to ensure effective dissemination of Anti-Bribery Policies, Standards and Procedures.</li> <li>• Ensure that no individual suffers retaliation, discrimination, or disciplinary action for reporting Anti-Bribery and Corruption concerns which are: made in good faith; or made based on a reasonable belief of an actual or potential violation.</li> <li>• Always apply Fortescue's zero tolerance approach to Bribery and Corruption, even if this results in the organisation losing business.</li> </ul>
<b>Employees (All Levels)</b>	<ul style="list-style-type: none"> <li>• Must apply the Fortescue Code of Business Conduct &amp; Integrity, and associated Fortescue Values in all their business dealings.</li> <li>• Must implement and apply Fortescue's Anti-Bribery and Corruption Policy, Standard and Procedures, demonstrating through their actions a commitment to compliance, including strict adherence to procedures and internal controls, including pre-approval requirements.</li> </ul>

Role	Responsibilities
	<ul style="list-style-type: none"> <li>• Be vigilant and report suspected Bribery and Corruption (and other business conduct concerns including any request for Bribes or Duress Payments) to your line manager, Governance and Compliance, or via Fortescue's Whistleblower Hotline.</li> <li>• Ensure that Fortescue policies and procedures are followed when onboarding and managing Vendors, Business Partners and Government Intermediaries, taking care to complete suitable due diligence on such Third Parties.</li> <li>• Seek guidance from the <b>Governance and Compliance Team</b> on Anti-Bribery and Corruption questions, pre-approval requirements or in relation to the wider Business Integrity Program.</li> </ul>

## 5. STANDARDS

### 5.1 Application

This Standard applies to all Fortescue Employees and Third Parties engaged by or acting on behalf of Fortescue. This Standard broadly sets out Fortescue's requirements, standards, and controls for managing its exposure to Bribery and Corruption risks, including:

- Basic prohibitions (for example the outright prohibition on Bribery and Corruption)
- Tone at the Top
- Disclosure, endorsement, and pre-approval requirements for a range of items, which when given or received, may present an Anti-Bribery and Corruption risk to Fortescue, for example:
  - Gifts, Entertainment and Sponsored Travel
  - Other Items of Value, *including but not limited to*;
  - Cash or Cash Equivalents
  - Offers of employment or internships
  - Per Diems
  - Political Donations
  - Charitable Donations
  - Sponsorships
  - Community Development Projects
- Due Diligence requirements for Third Parties including: Government Intermediaries, Vendors and Joint Venture Partners
- Risk assessments
- Training requirements.

If you are in any doubt about how this Standard should be applied, please seek advice from the Governance and Compliance Team.

## **5.2 Basic Prohibition on Corrupt Payments**

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Fortescue prohibits the giving or receiving of Corrupt Payments, in any form - whether directly or indirectly, and whether in the private or public sector - anywhere in the world.

**Corrupt Payments** are defined in this Standard to include Bribes, Facilitation Payments and Secret Commissions.

- Requests for Corrupt Payments must always be reported to your line manager and the Governance and Compliance Team.

Most countries have laws prohibiting Bribery of Private Individuals and Government Officials. There are potentially serious consequences, including fines and imprisonment, for contravention of these laws.

To this end, Employees and Third Parties acting on behalf of Fortescue must not:

- Engage in any form of corrupt business practice, whether for the benefit of Fortescue or another party;
- Offer, pay, solicit, or accept Bribes in any form;
- Offer or pay Facilitation Payments. Whilst these are legal in some countries, these are effectively “small bribes”, and they are prohibited by Fortescue; or
- Offer, pay, solicit, or accept Secret Commissions as these may constitute a form of Bribery.

## **5.3 Tone at the Top**

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In accordance with Section 4 of this Standard, *Roles and Responsibilities*, Fortescue’s Board and Leadership (together “Fortescue Leadership”) has a collective responsibility to embed and maintain a culture that minimises the risk of Bribery and Corruption in relation to Fortescue’s business activities.

- Fortescue Leadership will ensure that an effective system of internal controls is implemented to prevent and mitigate Bribery and Corruption risk.
- Fortescue Leadership will ensure that accurate books and records are kept in reasonable detail and that these are never used to disguise or conceal Corrupt Payments.
- Fortescue Leadership will seek assurance of compliance with Fortescue’s internal controls, Anti-Bribery and Corruption laws, and this Standard via auditing and risk

assessment activities conducted by the Risk & Assurance Team which are supervised and reported to the Audit, Risk Management and Sustainability Committee (ARMSC).

- Fortescue Leadership will ensure that Fortescue's expectations and standards are periodically communicated in "Tone at the Top" memos or meetings with stakeholders, regarding its commitment to conduct business in an ethical manner and to demonstrate zero tolerance towards Bribery and Corruption.
- Fortescue Leadership's "Tone at the Top" communications should include references to Fortescue's Anti-Bribery and Corruption Policy and Standard.

## **5.4 Risk Assessments**

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Fortescue will conduct an annual, enterprise level Anti-Bribery and Corruption risk assessment. Oversight of the risk assessment will be provided by the Governance and Compliance Team and the Risk & Assurance Team. The output of the risk assessment will be provided to the Audit, Risk Management and Sustainability Committee (ARMSC).

The risk assessment will:

- Identify the Bribery risks the organisation might reasonably anticipate, given;
  - The size, structure and delegated decision-making authority of Fortescue;
  - The locations and sectors in which Fortescue operates or anticipates operating;
  - The nature, scale and complexity of Fortescue's activities and operations;
  - Fortescue's business model;
  - The entities over which Fortescue has control and entities which exercise control over Fortescue;
  - Fortescue's business associates;
  - Engagement of Government Intermediaries;
  - The nature and extent of interactions with Government Officials; and
  - Applicable statutory, regulatory, contractual, and professional obligations and duties,
- Analyse, assess, and prioritise the identified Bribery and Corruption risks;
- Evaluate the suitability and effectiveness of Fortescue's existing control framework in relation to preventing and mitigating the assessed Bribery and Corruption risks; and
- Provide recommendations on control enhancements or new controls required to prevent or mitigate risk.

The Anti-Bribery and Corruption risk assessment is not a static document, and it will be updated annually to reflect changes to the operating environment and Fortescue's international footprint.

In addition to the annual risk assessment, Fortescue may conduct a country level Anti-Bribery and Corruption risk assessment at any of the following points in time:

- A memorandum of understanding or other comparable agreement is signed with the Government of a particular jurisdiction for the first time;
- Fortescue establishes an office in a jurisdiction where a Fortescue office does not already have a presence in that jurisdiction;
- Fortescue engages Employees in a jurisdiction where Fortescue Employees are not otherwise engaged; and/or
- Fortescue commences activities on the ground in a jurisdiction where Fortescue activities are not already ongoing.

## **5.5 New Country Entry**

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When Fortescue is considering conducting business or investment activities in a new country, appropriate assessment of political, regulatory, security and social risks should be conducted in accordance with Fortescue's *Managing Risk in Foreign Jurisdictions & Emerging Markets Standard (100-ST-AD-003)*.

Such assessments must always include an assessment of Anti-Bribery and Corruption Risks.

## **5.6 Pre-Approval and Disclosure Requirements for;**

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### ***Gifts, Entertainment and Sponsored Travel***

In certain circumstances, it may be customary and appropriate to give or receive Gifts, Entertainment and Sponsored Travel. In these instances, Fortescue and its Employees must exercise a high degree of caution, particularly if a Government Official or Politically Exposed Person is involved.

The provision of such items may be a legitimate and justifiable business activity however, the practice has the potential to create a perception that Fortescue is seeking to improperly influence a Government Official or Politically Exposed Person to achieve an improper advantage or obtain preferential treatment.

- You must refer to and follow the Reporting and Pre-Approval Matrix in Fortescue's *Gifts, Entertainment and Sponsored Travel Standard (100-ST-CP-0002)* which establishes threshold reporting and pre-approval requirements.

- Gifts, Entertainment and Sponsored Travel, offered or received, must be registered/pre-approved by the Delegated Approver via the [Fortescue Gifts, Entertainment, Sponsored Travel and Other Items of Value Register](#).
- The Governance and Compliance Team are automatically notified of all items disclosed via the Gifts, Entertainment, Sponsored Travel and Other Items of Value Register. In some circumstances, the Governance and Compliance Team may send a notice explaining that the item is not endorsed. When Employees receive such a notice, the item should be rejected immediately or offer withdrawn.
- Any Gifts, Entertainment and Sponsored Travel offered or accepted by Fortescue must comply with all Seven Key Principles of Appropriate Benefits, which are described in the Gifts, Entertainment and Sponsored Travel Standard. These Principles require that the Gift, Entertainment and Sponsored Travel is transparent, proportionate, reasonable, bona fide, legal, infrequent, and obligation free.
- Fortescue prohibits giving or receiving of Gifts, Entertainment and Sponsored Travel in connection with its business activities that do not comply with the Seven Key Principles of Appropriate Benefits; when there is proximity to a commercial decision or contracting event or when they include cash or cash equivalents.
- You must not under-value items to circumvent reporting or pre-approval obligations.
- When Fortescue Employees receive offers of Entertainment from Vendors and Government Intermediaries, Fortescue typically applies a [zero-fraternisation policy](#). Requests to accept such Entertainment, will be closely scrutinised by the Governance and Compliance Team, and only endorsed under limited circumstances.

If you are in any doubt, please seek guidance from the Governance and Compliance Team. See also Fortescue's [Gifts, Entertainment and Sponsored Travel Standard \(100-ST-CP-0002\)](#) for more information on prohibitions, directions on registering items and seeking pre-approvals.

## **5.7 Pre-Approval and Disclosure Requirements for:**

### ***“Other Items of Value”***

- Cash or Cash Equivalents
- Offers of employment or internships
- Per Diems
- Political Donations
- Charitable Donations
- Sponsorships
- Community Development Projects.

In certain circumstances, there may be a legitimate reason to offer or provide Other Items of Value as defined above, however, this has the potential to create significant risk for Fortescue, particularly when Other Items of Value relate to higher risk jurisdictions.

- Prior to offering Other Items of Value, Employees must seek the endorsement of the Governance and Compliance Team along with the pre-approval of a Delegated Approver.
- The Governance and Compliance Team has the authority to reject all pre-approval requests, relating to the offer or provision of Other Items of Value, by not providing endorsement via the Gifts, Entertainment, Sponsored Travel and Other Items of Value Register.
- Other Items of Value offered to Government Officials must always be registered, endorsed and pre-approved by the Delegated Approver via the [Fortescue Gifts, Entertainment, Sponsored Travel and Other Items of Value Register](#).
- Fortescue must not make Political Donations to any political party, politician, or candidate for public office in any country unless the Political Donation has been approved in advance by the Board. Any Political Donations made by Fortescue must: be in accordance with the Delegated Authority Policy; disclosed as required by law; and recorded accurately in our books and records.
- Fortescue may provide Charitable Donations, Sponsorships, or invest in Community Development Projects which are legal under local laws and practices, and where there is a legitimate business purpose. However, in some countries, Charitable Donations, Sponsorships and Community Development Projects (such as construction of a hospital or school) can be used as a screen for providing inducements or Bribes to Government Officials. Accordingly, care must be taken to ensure that the charity or cause is legitimate and not requested by or linked to a Government Official or Politically Exposed Person.
- If a Government Official requests a Charitable Donation, Sponsorship, or investment in a Community Development Project, this must be immediately reported to the Governance and Compliance Team.

## **5.8 Attendance at Political Functions**

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Attendance at political functions and ceremonies is permitted where there is a legitimate business purpose.

- Attendance at these functions must be endorsed by the Governance and Compliance Team and approved by a Delegated Approver.
- A record of attendance (and the cost of attendance) must be maintained by Fortescue.

## **5.9 Third Party Due Diligence Requirements**

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Third Parties acting on behalf of Fortescue should adhere to this Standard and implement adequate procedures and internal controls so that the actions of the Third Party will not adversely affect Fortescue. Additionally, proportionate, risk-based due diligence must always be completed prior to engaging Third Parties, to satisfy Fortescue that the Third Party does not present an unacceptable risk to our business.

- Proportionate, risk-based due diligence must always be conducted on:
  - Candidates for employment at Fortescue
  - Vendors
  - Government Intermediaries
  - Joint Venture Partners.

***When Third Parties are Engaged by Fortescue:***

- The requirements of this Standard should be clearly communicated, including ensuring that relevant corporate Policies and Standards are provided to the Third Party.
- Proportionate, risk-based due diligence must be performed to ensure that it is appropriate for the Third Party to represent Fortescue or for Fortescue to engage the Vendor. If any issues of concern are identified, the Governance and Compliance Team must be informed immediately, and advice sought;
- With respect to Government Intermediaries, enhanced Due Diligence must be completed by the Governance and Compliance Team prior to the party being engaged, and periodically during the term of engagement. This includes checking the reputation and qualifications of Government Intermediaries thoroughly and ensuring they sign an annual compliance certification. If there is a history of improper dealings or special relationships with Government Officials or PEPs this means, there may be a risk that the Government Intermediary might act inappropriately.
- For Government Intermediaries, pre-approval for engagement should be sought from a Delegated Approver, upon completion of the enhanced due diligence file.
- Depending on their specific activities, some Government Intermediaries may present a heightened risk. Under these circumstances, the Governance and Compliance Team may request that Anti-Bribery and Corruption training is given to the Third Party's key employees.
- In some instances, Employees may consider that Vendors may present heightened risk, particularly in emerging economies where Government Officials or PEPs may be linked to the Vendor. If this is detected at any stage, advice should be sought from the Governance and Compliance Team, and enhanced due diligence may be required.
- Standard contractual terms that incorporate the basic prohibitions and requirements addressed by this Standard must be included in contractual agreements with the Third



Party, including full audit rights and the right to immediately terminate upon breach of this Standard.

- Payment procedures and pricing for goods and services must be itemised and transparent. All payment claims by Third Parties must be accurate and billed in accordance with their contractually agreed rates.
- Payment claims from Government Intermediaries must be carefully screened for evidence of Corrupt Payments, and any official government payments must be properly receipted and provided as substantiation. Corrupt Payments may be hidden in payment claims, particularly in emerging countries, and Employees must be vigilant when approving.
- Proper oversight and monitoring of the work performed by the Third Party must be provided by the relevant Fortescue Employee(s).

#### **5.10 Duress Payments**

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Duress Payments are cash or cash equivalent payments requested by or made to a Government Official under duress or extortion, for example: the threat of physical harm, confiscation of passport, confiscation of Fortescue property, or unlawful detention or incarceration.

In some high-risk countries, immigration officials, police officers or members of the military may exhibit predatory behaviour and may use tactics, such as those described above, to extort money from Fortescue Employees.

- If you have done nothing unlawful, and if you fear for your freedom and safety, then a Duress Payment may unfortunately be necessary. This is particularly the case if you have resisted the situation, and the threats have escalated. Your safety is more important to Fortescue than resisting payment.
- If a Duress Payment is requested by a Government Official or made by you as a Fortescue Employee, you must immediately report any such request or payment to your line manager or the Governance and Compliance Team.
- Duress Payments must be accurately recorded in Fortescue's books and records.

#### **5.11 Mergers, Acquisitions and Joint Ventures**

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Prior to any mergers and acquisitions, Anti-Bribery and Corruption due diligence must be completed. Detailed written records of these investigations must be retained by Fortescue and any potential Bribery and Corruption issues should be addressed and appropriately resolved before continuing.

- Fortescue must promptly incorporate any acquired company into its Business Integrity Program, including the Anti-Bribery and Corruption Policy, Standard and controls.

- All new Employees from the acquired company will need to complete the relevant Anti-Bribery and Corruption training as required by this Standard.
- If Fortescue decides to enter into a Joint Venture agreement or seek co-investment, due diligence must be conducted on the potential Joint Venture Partner. As per the definition in this Standard, Joint Venture Partners means joint venture partners, co-venturers, co-investors, or teaming partners.

### **5.12 Anti-Bribery and Corruption Training**

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Fortescue takes a risk-based approach to Anti-Bribery and Corruption training requirements, allowing training to be tailored to specific roles. All Employees are required to undertake Anti-Bribery and Corruption training, as directed, in accordance with their role, and within the period specified to complete the training.

- Fortescue's People Team are responsible for maintaining accurate training records, organising face-to-face training sessions and extending invites for such sessions, and delivery of online training modules via the Fortescue Learning Management System (LMS).
- The Governance and Compliance Team are responsible for training content, providing face-to-face training, and monitoring Employee training records.
- New Employees are required to undertake online Anti-Bribery and Corruption training prior to the commencement of their employment.
- Online and face-to-face training modules will be periodically updated by the Governance and Compliance Team to reflect legislative changes.
- Government Intermediaries acting on Fortescue's behalf may be required to undertake Anti-Bribery and Corruption training as directed by the Governance and Compliance Team, including prior to engagement and on an ongoing basis as necessary.

### **5.13 Record Keeping**

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An accurate and auditable record of all transactions described in this Standard must be maintained in accordance with generally accepted accounting principles.

- All accounts, invoices and other documents and records relating to dealings with Third Parties (including due diligence reports) must be prepared and maintained with strict accuracy and completeness.
- No accounts may be kept "off the books" to facilitate or conceal improper payments.
- No entry should be made in Fortescue's records that distorts or disguises the true nature of any transaction.

- In relation to the use of cash, strict controls must be followed, and cash advances must be endorsed by the Governance and Compliance Team and approved for release by the Fortescue Treasury Team.
- Cash may be used for legitimate expenditures only, and cash payments must be properly accounted for, with proper receipts obtained for all legitimate expenditures.
- Fortescue seeks to avoid such payments, however, if Duress Payments or Facilitation Payments are made, these must be accurately recorded as soon as possible after the event.

#### **5.14 Reporting Breaches (Whistleblower Hotline)**

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Fortescue is committed to creating and maintaining an open working environment where Employees and Third Parties feel comfortable to raise concerns regarding actual or suspected unethical, unlawful, or undesirable conduct.

- Any actual or suspected breach of this Standard should be reported to the Governance and Compliance Team.
- You may also anonymously report any actual or suspected breaches via the Whistleblower Hotline.

See Fortescue's Whistleblower Hotline Policy (100-PO-GO-002) for more information.

#### **5.15 Incident Response**

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Any reported Bribery or Corruption incident or violation of the Anti-Bribery and Corruption Policy and Standard will be independently investigated by the Governance and Compliance Team.

- Findings from investigations will be reported and escalated appropriately and Fortescue's response, including any disciplinary or remediation measures taken, must be documented in our case management system (Deloitte Halo).
- The investigation will seek to identify root causes, system vulnerabilities, and accountability lapses, including those which originate from managers and senior executives.

#### **5.16 Disciplinary Action for Breach of this Standard**

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Any breach of this Standard may be regarded as serious misconduct, with the potential to lead to disciplinary action up to and including termination of employment.

Breach of this Standard by any Third Party to whom it applies may result in a recommendation to cease trading with the Third Party and to terminate their contract with Fortescue.

Breach of this Standard may also expose Fortescue, its Employees and Third Parties to criminal and civil liability and may result in imprisonment or the imposition of a significant financial penalty.

## **5.17 Monitoring and Review**

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Company Secretariat is responsible for the revision, interpretation, and application of this Standard. The Standard will be reviewed every two years, or when changes in the business require, and revised as needed.

From time to time, schedules may be added to this Standard to include additional controls or requirements based on specific jurisdictional risk.

Internal controls, standards and procedures will be subject to regular Governance and Compliance monitoring, and internal / external audits to provide assurance that they are effective in mitigating the risk of Bribery and Corruption.

## **6. DOCUMENTATION AND RECORDS MANAGEMENT**

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This document and all supporting documents will be managed as per Fortescue Document Governance Standard.

## **7. RELATED PUBLICATIONS**

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The following documents should be read in conjunction with this Standard:

**Table 4: Other Documents**

<b>Document ID</b>	<b>Title of Document</b>
100-PO-AD-0018	Code of Conduct and Integrity
100-PO-AD-0015	Anti-Bribery and Corruption Policy
100-PO-AD-0016	Gifts, Entertainment and Sponsored Travel Policy
100-ST-CP-0002	Gifts, Entertainment and Sponsored Travel Standard
100-PO-GO-0002	Whistleblower Hotline Policy
100-ST-AD-0003	Managing Risk in Foreign Jurisdictions and Emerging Markets