



Media Release

Improved payment terms to support Pilbara small businesses

Perth, 10 May 2017: Fortescue Metals Group (Fortescue) today announced applications for new 14-day payment terms are available to Pilbara small businesses and Aboriginal businesses nationally under new guidelines aimed at improving operational cash flow for suppliers.

Traditional payment terms of 30 days or more have long been flagged as a key barrier to building sustainable businesses, in particular for Aboriginal-owned and Pilbara-based suppliers.

Chief Executive Officer Nev Power said the new payment terms are the result of discussions initiated by Fortescue's procurement and Aboriginal business development team on how to improve processes to ease the pressure on suppliers.

"Thriving small businesses are fundamental to the economic prosperity of our communities and Fortescue places a strong emphasis on engaging with our small business suppliers to establish and maintain mutually beneficial partnerships," Mr Power said.

"We are especially proud for our relationships with highly capable and competent Aboriginal businesses, including through the *Billion Opportunities* program which helps communities local to our mining operations benefit from Fortescue's growth and development.

"Ensuring these businesses have the option to apply for favourable payment terms aligns with our broader community vision to build capacity and strengthen communities in the Pilbara."

Since the inception of *Billion Opportunities* in 2011, 240 contracts and sub-contracts worth \$1.85 billion have been awarded to 103 Aboriginal-owned businesses and joint ventures.

To be eligible to apply, small businesses must satisfy classification criteria, including less than 20 employees, annual turnover of less than \$20 million per annum, as well as annual Fortescue spend under \$10 million per annum.

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