

30 March 2020

The Companies Officer
Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Madam or Sir

CORONAVIRUS (COVID-19) UPDATE – MEASURES TO ADDRESS THE COVID-19 PANDEMIC AT FORTESCUE METALS GROUP (FORTESCUE) SITES AND OFFICES

Since the outbreak of coronavirus (COVID-19) in January 2020, Fortescue Metals Group Ltd (ASX: FMG, Fortescue) has implemented and expanded a range of measures to protect the health and safety of the Fortescue team and contribute to efforts to contain the spread of COVID-19 across the community.

Chief Executive Officer Elizabeth Gaines said “The health and safety of the entire Fortescue family is our highest priority and we take our responsibility as a large employer seriously. The measures we have introduced ensure that Fortescue can continue to operate safely, maintain jobs, sustain our business and protect communities. We recognise our role in reliably delivering iron ore shipments and the flow of taxes and royalties which contribute to economic activity, at this time of critical national need.

“While COVID-19 has brought uncertainty and volatility to global markets, including the iron ore market, Fortescue's shipments continue from Port Hedland as scheduled. Our mining, processing and shipping activity remains in line with our guidance for FY20 of shipments towards the upper end of our guided range of 170 – 175 mt.

“Fortescue’s balance sheet is strong with debt facilities structured on low cost, investment grade terms and conditions. As at 31 December 2019, Fortescue had US\$4.3 billion of liquidity available including US\$3.3 billion of cash on hand and US\$1 billion available from the revolving credit facility.

“While our international and Australian exploration activities have been suspended in line with local restrictions, our Eliwana Mine and Rail and Iron Bridge Magnetite major growth projects are progressing,” Ms Gaines said.

“We appreciate that the State and Federal Governments have acknowledged the importance of the sector’s contribution to the economy and have identified the resources sector as providing essential services and exempted mining and other resources industries from some of the travel restrictions and other guidelines introduced across the country. We are taking every precaution to reduce the likelihood of COVID-19 directly impacting our team, their families and the community.

“Our Incident Management Team is meeting daily to review our operations and the Government’s advice. As the social distancing guidelines have expanded, we have responded to each additional measure quickly and are regularly communicating with our teams on all matters relating to the mining sector, as well as the importance of physical distancing and stringent hygiene.

"We have also implemented the following measures across all our operational sites and offices:

- Introduction of a temporary change to our site operational roster from a two week on/one week off roster to a four week on /two week off roster, which will reduce travel to and from site by approximately 40 per cent, increasing the period spent on site and maintaining operations at planned levels
- Arrangements have been made for all team members in higher risk health categories to leave site-based roles and all are now working from home
- Non-critical site-based employees have been relocated from site to work from home
- Australian office-based team members are working from home, unless business needs require office attendance
- Additional charter flights and bus services have been introduced to ensure physical distances are maintained between team members when travelling
- Airport temperature and health testing is in place at the Perth Domestic Airport and is being introduced at site aerodromes
- All work-related travel for non-operational team members, both international and domestic, has been cancelled until further notice
- Temporarily suspended fly-in, fly-out rosters between WA and NSW, as announced by the WA resources sector and have worked with our NSW based team members to ensure that site critical personnel can relocate to WA for the short term
- Temporary closure of Fortescue's onsite creche in the Perth office and no external visitors attending our Fortescue offices
- Changes to breakfast, dinner and packed lunch at our villages to reduce handling of food and service utensils
- Enforcing strict hygiene and physical distancing measures across all village services
- Additional cleaning services across all our sites, villages and offices
- Supporting our suppliers through extending 14 day payment terms to all small businesses and working collaboratively with our suppliers to address any cashflow challenges.

"Fortescue is known for its unique and differentiated culture, which will undoubtedly see us through this period of uncertainty. I sincerely thank the entire Fortescue team for their courage and determination and the support that all teams have provided to each other is a true demonstration of the Fortescue Values in action," Ms Gaines said.

Please refer to the attached document for a comprehensive list of the measures Fortescue has in place in response to COVID-19.

Yours sincerely

Fortescue Metals Group Ltd

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Background

A comprehensive list of the measures Fortescue has put in place in response to COVID-19. This list is current as at Monday, 30 March 2020.

Operations

Effective progressively from Monday, 30 March 2020, Fortescue's site operational roster will temporarily change from a two week on/one week off roster to a four week on /two week off roster. Those team members working a four day on/three day off roster or an eight day on/six day off roster will change to a two on week/two week off roster with all roster variations incorporating appropriate fatigue days which will be built in as required.

This will reduce people movement on and off Fortescue's sites by approximately 40 per cent.

It is anticipated this temporary roster will be in place for at least an initial period of three months, with the possibility that it may be up to six months, consistent with the Government's comments and lockdown measures.

Shipping

We have implemented delayed berthing on any vessel calling at our terminal in Port Hedland. As a result of these actions, vessels will not berth at a Fortescue terminal until 14 days has passed since departure from last discharge port, including any time spent at anchorage.

Vessels making bunker calls at ports after departing their final discharge port will be reviewed on a case by case basis to assess whether adequate risk mitigation procedures were implemented, including limiting any interaction with shore-based personnel to minimise the risk to the Port Hedland community.

These actions are being taken in conjunction with implementation of Australian Government requirements including the Australian Maritime Safety Authority and Australia Border Force.

Exploration activities

Exploration in the Patterson, Rudall and Goldfield regions in WA, together with activities in NSW and South Australia have been suspended. Operational drilling continues in the Pilbara for resource definition and mine planning purposes only.

Exploration and field activities in Ecuador, Argentina, Colombia and Portugal have been suspended, with working from home arrangements implemented.

Fortescue's COVID-19 case management process

We have a robust COVID-19 case management process in place to manage a positive case at one of our sites or offices.

This process is in accordance with the WA Department of Health guidelines and is reviewed on a daily basis.

COVID-19 case management process summary:

1. Complete assessment for the team member who is unwell or thinks they may have had contact with a positive COVID-19 case
2. If the team member is a suspected case, they are isolated with daily welfare checks
3. If the team member meets testing criteria outlined by the Department of Health, testing is arranged
4. Work mates who have been in contact with the team member who is a suspected case are identified
5. Work area is thoroughly cleaned and team members briefed on the situation

6. If it is a positive test result, work mates who were identified as having close contact are isolated and monitored and are tested if they meet testing criteria
7. As per standard protocol, any team members who require specialised medical services are evacuated off site based on medical severity.

Personal hygiene and physical distancing

The most effective way to prevent the spread of any illness, including COVID-19, is to focus on personal hygiene and physical distancing. We have a number of physical distancing measures in place across Fortescue sites and offices including:

- Maintaining at least two metres physical separation across work areas where possible
- Holding larger meetings like pre-starts outside so team members can maintain at least two metres physical separation from each other
- When using meeting rooms, the number of attendees should be no more than 50 per cent of the room capacity
- Encouraging team members to use phone calls or teleconferences instead of physical meetings
- Team members to sit further apart during breaks and when visiting dining halls

Additional cleaning and village team members are now on site which has enabled us to increase the frequency of cleaning services

Health and wellbeing

Our Fortescue Chaplains are available in Perth and on site for team members who need support. The Employee Assistance Program (EAP) is also available 24 hours a day.

Travel

In line with the travel restrictions announced by the Commonwealth and State Governments, we have introduced a number of protocols relating to travel for Fortescue team members:

- Effective midnight (AEST) on 16 March 2020, anyone who has returned from an overseas destination is not to return to or visit a Fortescue site or office until a 14-day isolation period is carried out - team members can explore alternative working arrangements with their leader
- Team members who are currently in isolation following overseas travel will continue their required isolation period
- Effective 25 March 2020, advising that all personal international travel should be cancelled in line with the Commonwealth Government's ban on overseas travel
- All work-related travel for non-operational team members, both international and domestic, is cancelled until further notice
- All non-essential travel for non-operational team members to operational sites is cancelled until further notice

Effective 24 March 2020, Western Australia has implemented strict border controls for all access points by road, rail air and sea. Unless exempted, all arrivals from other States in Australia are required to self-isolate for 14 days.

The WA Government has advised that exemptions apply to essential services and workers, including health and emergency services, defence and policing, mining industry workforces, flight crews and freight of essential goods, via ports and trucks.

The WA resources sector announced a cessation of FIFO workers travelling to WA from NSW effective Monday, 30 March 2020 and Fortescue has worked proactively with our site critical employees and contractors who reside in NSW to offer the opportunity to temporarily relocate to WA.

The significant majority, 95 per cent, of our workforce reside in Western Australia and we are adopting similar approaches across other States to help further reduce risk and increase certainty for workers and our business. In particular, we are working with our non-resident workforce to ensure that site critical functions are not impacted, including introducing dedicated charter flights direct from the East Coast of Australia as well as other measures consistent with our approach with our NSW team members for temporary relocation to WA.

Flight and bus seating

We have commenced operating additional charter flights to site to allow for every second seat to remain empty. This will provide more space between each team member and assist with physical distancing within the aircraft. For our Port Hedland workforce, we are coordinating dedicated Fortescue charters to and from Port Hedland.

Similarly, more spacing between passengers will be introduced on all of our bus services.

Airport temperature and health testing

Mandatory temperature check and health assessment measures at Perth Domestic Airport are in place and site based aerodrome checks are being introduced.

Site Villages

Food and beverage

Breakfast and dinner service – all meals are being served by a catering team member to reduce the handling of serving utensils. They will also assist with providing cutlery.

Lunch (crib) service – crib will be pre-packaged and offered as 'grab and go' across all sites. A variety of options will be made available including choices for those with dietary requirements.

Dining dress restrictions

Team members are required to change into clean clothing before attending the dining hall and wet mess facilities.

Outdoor dining

The capacity of outdoor dining has increased to reduce the number of people congregating inside dining halls.

Wet mess (licenced areas)

Wet mess areas are closed with takeaway options only available with strict limits on purchases and opening times.

Cashless purchasing

Purchases at site retail stores and at the wet mess are to be made using a cashless 'tap and go' option where possible.

Gyms

Gyms and swimming pool facilities across all our sites have been closed until further notice. To ensure fitness options are still available on site, the following alternatives are being introduced:

- Our team of Healthy Lifestyle Coordinators will be offering a range of outdoor activities
- Online fitness classes will be available

- A booking system will be implemented to hire gym equipment that can be used in individual's rooms.

A regular sanitising process will be introduced to ensure all equipment is thoroughly cleaned after every use.

Offices

All team members based at the Fortescue Centre and Bennett Street offices in Perth are now required to work from home, unless there is a particular business requirement that requires them to be in the office.

The Fortescue Family Room, our on-site creche facility, has been closed temporarily and external visitors, including family members, are unable to visit a Fortescue office unless critical for business continuity and with GM approval.

Alternative arrangements have been made for large meetings, including Fortescue's company wide Weekly Meeting being streamed live. When using meeting rooms, the number of attendees is limited to no more than 50 per cent of the room capacity.

Fortescue Centre Inductions

Online Fortescue New Starter Inductions have replaced face to face inductions.

Our community

We are working with our community stakeholders to ensure they are supported during and after this crisis.

Aboriginal communities

Targeted communication regarding hygiene practices, physical distancing requirements and flu vaccines.

China

Fortescue donated A\$1 million to the Wuhan Qingshan Charity Federation to fund the conversion of the WISCO Sports Stadium, owned by longstanding Fortescue customer Wuhan Iron & Steel Co. Ltd, into a 388-bed shelter hospital to treat patients who were infected by the virus.

Argentina

Donation of protective eyewear, facemasks, latex gloves and hand sanitiser to two hospitals in the Calingasta community, Villa Calingasta Hospital and Barreal Hospital.

Ecuador

Our team in Ecuador has helped the local authority with cleaning and sanitisation, and, following the temporary closure of the exploration camp, food was donated to the local community.

Suppliers

As a leading Australian business, we take our responsibility to our suppliers and business partners seriously.

We understand 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 period of uncertainty.

For the period of the COVID-19 pandemic, we have extended our existing 14-day payment terms for certain small businesses to all small businesses, benefitting an additional 250 suppliers and we are offering support for any supplier who is experiencing cashflow management issues.

Communication

Fortescue is committed to providing its team, contractors, suppliers and key stakeholders with the latest information as the COVID-19 outbreak continues.

In addition to the daily Incident Management Team meetings, Fortescue has:

- Established a dedicated COVID-19 intranet page for employees and extranet page for contractors
- Introduced Executive and Leader calls, including with contractors
- Created a dedicated COVID-19 page on the company website www.fmgl.com.au
- Updated the team via the company-wide Weekly Meetings, which are streamed live to all sites, recorded and distributed to team members
- Sent direct text messages relating to immediate changes as required.

A number of videos have also been produced as an effective means of communication:

1. Chairman and Founder, Andrew Forrest AO, on how Fortescue will get through this crisis as a team. You can view the video [here](#).
2. Elizabeth Gaines, CEO about our commitment to supporting mining in WA. You can view the video [here](#).

Examples



Temperature and health checks at Perth Domestic Airport



Physical distancing at Perth Domestic Airport



Physical distancing on operational flights



Physical distancing on operational flights



Physical distancing during meetings



Physical distancing at our site administration offices