Fortescue
WE ARE FORTESCUE
2003 - 2023
THE POWER OF NOW
20 YEAR ANNIVERSARY
FY23 SUSTAINABILITY REPORT

The driving force for our green future

Our Values will never change

Fortescue's unique Values drive our performance in a way that sets us apart from others

Culture

Fortescue is a values-based business with a strong, differentiated culture. We believe that by leveraging the unique culture of our greatest asset, our people, we will achieve our stretch targets

- **Safety**
- **Integrity**
- **Family**
- **Enthusiasm**
- **Empowerment**
- **Courage and determination**
- **Frugality**
- **Generating ideas**
- **Stretch targets**
- **Humility**

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Important note

This report should be read in its entirety, together with the Forward Looking Statement Disclaimer at the back of this report.

Acknowledgement of Country

Fortescue acknowledges the First Nations people of the lands upon which we live and work. We acknowledge their rich cultures and their continuing connection to land, waters and community. We are proud to work, partner and engage with First Nations people. We pay our respects to the culture and people, their Elders and leaders, past and present.

The Fortescue journey by artist Bobbi Lockyer.

The Kariyarra, Ngarluma, Nyul Nyul and Yawuru artist and designer created a vibrant painting that reflects our journey.

The colours used throughout the report are inspired by this painting.

To view the full suite of reports

FY23 Annual Report

FY23 Climate Change Report

FY23 Corporate Governance Statement

Scan the QR code for more information:

FY23 FINANCIAL PERFORMANCE

Iron ore shipped

192.0

million tonnes

C1 cost

US$17.54

/wet metric tonne

Cash on hand

US$4.3

billion

Net debt

US$1.0

billion at 30 June 2023

Underlying net profit after tax

US$5.5

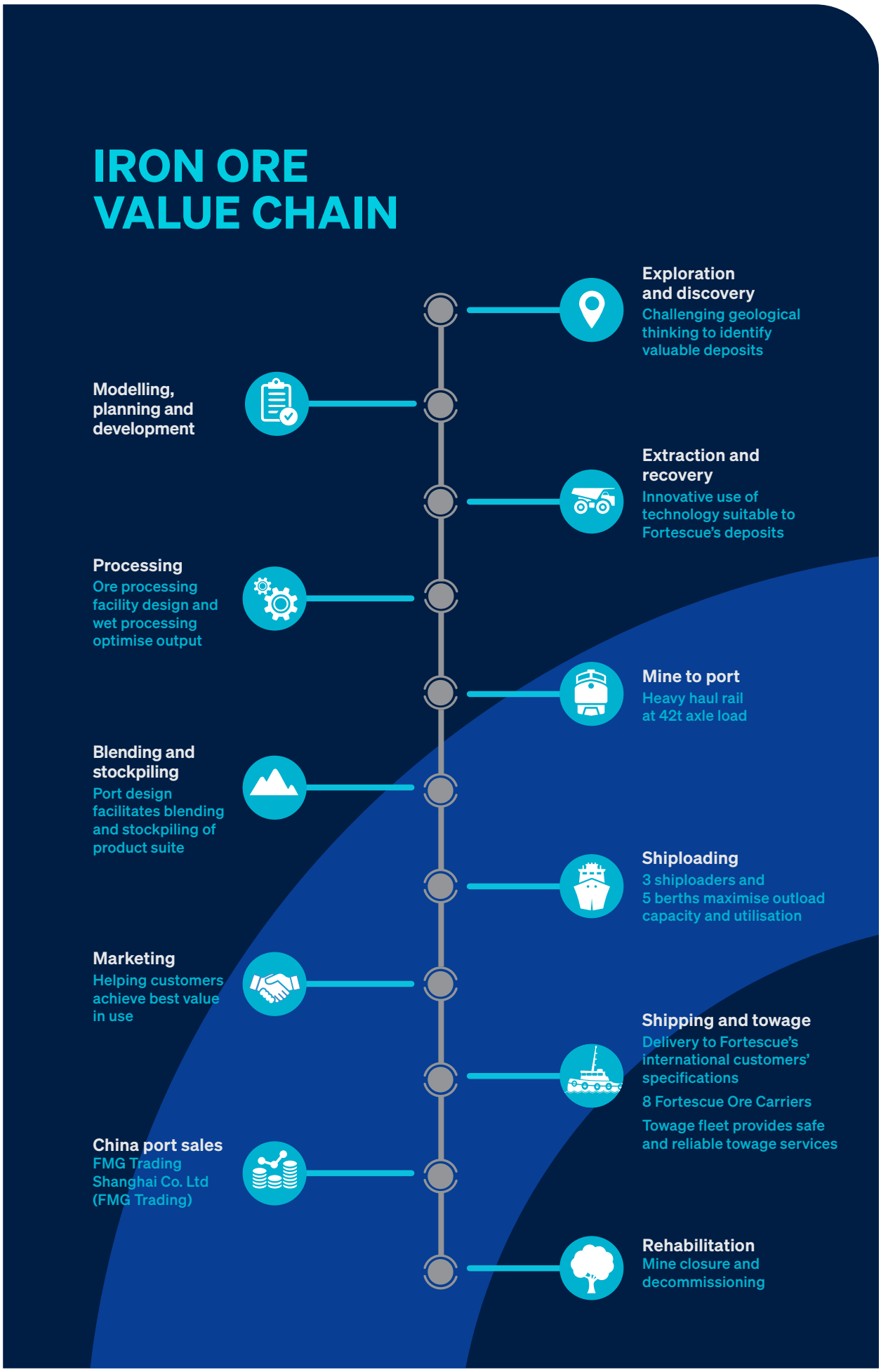
billion

Total global economic contribution

A$26.3

billion

IRON ORE VALUE CHAIN



OVERVIEW

FY23

SUSTAINABILITY PERFORMANCE

Safety

1.8

TRIFR
Fortescue Metals

Employment

13,745

Employees

Environment

0

Significant incidents

Diversity

30%

Female employment in senior leadership roles

01

ABOUT THIS REPORT

Fortescue is committed to open, transparent and meaningful engagement with our stakeholders

This report has been prepared for our stakeholders, including employees, investors, community groups, government, suppliers, customers and non-government organisations.

The report details the performance of Fortescue Metals Group Ltd (Fortescue) against key material sustainability commitments and targets during the financial year 1 July 2022 to 30 June 2023 (FY23). It is part of our annual reporting suite which also includes the FY23 Annual Report, FY23 Climate Change Report and the FY23 Corporate Governance Statement, which are available on our website at **www.fortescue.com**

We are a signatory to the United Nations Global Compact (UNGC) and this report outlines our ongoing commitment to report progress towards the principles of the UNGC. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. A copy of the GRI content index is provided on pages 92 to 101.

The report also considers issues identified through Fortescue's Risk Management Framework and guidance provided by key bodies, including the International Council on Mining and Metals (ICMM) and the Green Hydrogen Organisation.

The report covers our operations, including those under exploration and development and those operated through subsidiaries and joint ventures where we have operational or management control. The report also highlights the ongoing achievements of Fortescue Energy, comprised of Fortescue Future Industries (FFI), WAE Technologies (Fortescue WAE) and Fortescue Hydrogen Systems. FFI was established by Fortescue in FY21 to pursue green energy opportunities globally and Fortescue WAE was acquired by Fortescue in March 2022.

All references to our, we, us and Fortescue refer to Fortescue Metals Group Ltd (ABN 57 002 594 872) and its subsidiaries. All references to a year are to the financial year ended 30 June 2023 unless otherwise stated. All monetary values are listed in Australian dollars (A$) unless otherwise stated.

The report was reviewed and approved by Fortescue's Board of Directors (the Board) on 25 August 2023.

Assurance and Verification

Management has sought independent, third-party verification of a range of metrics in this report. This includes selected data on safety performance, training and development, education initiatives, First Nations Australian employment, heritage sites, the Billion Opportunities program and gender diversity. All other metrics undergo a process of internal verification.

Independent assurance on emissions data is detailed in our FY23 Climate Change Report.

Feedback

We value all feedback. Please forward any comments on this report or requests for additional information to **sustainability@fortescue.com**

CHIEF EXECUTIVE OFFICERS MESSAGES

“I am really excited about the momentum that we are building at Fortescue. We have a strong foundation, a clear purpose and an ambitious set of stretch targets.”

DINO OTRANTO
Fortescue Metals

At Fortescue, Sustainability is inherent in everything we do. We are dedicated to being a leader in the space and, as CEO, I recognise and respect the commitment it takes. We also strive to be an employer of choice in our industry and to benefit every community where we operate.

I’m really impressed by Fortescue’s strong commitment to integrating sustainability into all aspects of the company and ensuring communities benefit from our growth and development. Whether it is our focus on safety, our work on diversity and inclusion, our efforts to safeguard our natural systems, or to build sustainable communities, we are committed to being an industry leader.

Safety is our most important Fortescue Value and is deeply ingrained in our culture. This extends not just to physical safety, but mental wellbeing as well. Everyone at Fortescue is expected to take control and to look out for their mates. In FY23, we achieved a Total Recordable Injury Frequency Rate (TRIFR) of 1.8 across our iron ore operations, successfully reducing our injury risk profile by 22 per cent compared to the previous year and exceeding our target of a 15 per cent reduction. While this is a pleasing result, we continue to see safety incidents across our operations and so we must maintain our strong focus on strengthening our safety culture. This commitment is further supported through our Workplace Integrity Review which comprises a range of initiatives that are enhancing physical and personal safety at our operational sites. I believe Fortescue’s success is underpinned by our people feeling emotionally and physically safe, as well as empowered and respected.

One of my priorities as CEO is to ensure everyone feels safe to be themselves. Through our Fortescue Family Diversity Plan we are building a workforce that reflects the communities in which we live. This plan encompasses women, First Nations Australians, diversity of age, LGBTQIA+, cultural background and differing abilities.

Increasing female employment remains a key priority for us. Our female employment rate remained stable this year with females comprising 23 per cent of our workforce and 30 per cent of senior leadership roles. Fortescue was also listed for the fourth consecutive year in Parity.org's Best Companies for Women to Advance list.

I am incredibly proud that First Nations people are such a significant and valued proportion of our workforce, representing 10 per cent of our Australian workforce and 16 per cent of our operational workforce. For context, at Australia's last census, First Nations Australians represented 3.2 per cent of Australia's population. Through our Vocational Training Employment Centre (VTEC) program, Fortescue continues to provide sustainable career pathways for First Nations people, with over 1,400 First Nations people employed through VTEC since 2006.

Since our inception 20 years ago, Fortescue has been committed to ensuring communities benefit from our growth and development. Our economic contribution creates wealth in our Australian economy and around the world, with payments to our employees, suppliers and shareholders, and to the governments of the countries where we operate totalling $26.3 billion in FY23. We contributed over $100 million through our voluntary social investment programs and continued important partnerships including with Lifeline WA, MADALAH Limited, Ronald McDonald House Charities WA and the Royal Flying Doctor Service of Western Australia (RFDS).

Our commitment to communities extends to delivering practical initiatives that drive economic and employment opportunities for First Nations people, evident through our award winning Billion Opportunities program which aims to build the capability of First Nations businesses.

Since it was established in 2011, more than $4.6 billion in contracts have been awarded to over 190 First Nations businesses, with 27 contracts to the value of $577 million awarded in FY23. At Iron Bridge alone, we have awarded $370 million in contracts to Nyamal Traditional Custodians.

I am proud to be part of a company so committed to eliminating emissions. We have set a target to achieve Real Zero Scope 1 and 2 terrestrial emissions across our Australian iron ore operations by 2030. Real Zero refers to no fossil fuels and no offsets. To achieve this, we have a costed decarbonisation plan to eliminate fossil fuels by developing local renewable power and replacing our existing equipment with battery electric and green hydrogen models. We have also set a target to achieve net zero Scope 3 emissions by 2040 and we are forming partnerships across our value chain to find solutions to decarbonise the steelmaking process. We know that these are an ambitious set of targets, but ones that we are determined to achieve.

Alongside our commitment to decarbonising is our focus on safeguarding natural systems. We are developing our processes for assessing, acting on and reporting against nature-related risks with pilot processes underway for several of our sites. This follows the draft Taskforce on Nature-related Financial Disclosures (TNFD) risk and opportunity management and disclosure framework. The outcomes of the pilot assessments will help us better understand nature-related dependencies and impacts for the pilot sites.

Looking ahead, I am really excited about the momentum that we are building at Fortescue. We have a strong foundation, a clear purpose and an ambitious set of stretch targets. As we celebrate our 20th anniversary this year, it provides an opportunity to not only look back on all that we have achieved but look ahead to the future. As we rapidly decarbonise our Australian iron ore operations at scale and by 2030, I am confident that Fortescue has all the right ingredients for future success – a unique culture, great people, and a strong pipeline of future growth projects.

REAL ZERO

Real Zero refers to no fossil fuels and no offsets.

We have a costed plan to decarbonise our Australian terrestrial iron ore operations in the Pilbara by 2030. At the time of this report, Fortescue has identified the solutions it plans to adopt to eliminate approximately 90 per cent of terrestrial Scope 1 and 2 emissions from its Australian iron ore operations. We are actively working to identify solutions for the final approximately 10 per cent.

We are also finalising our plan for how to eliminate Fortescue's remaining Scope 1 and 2 emissions from across our operations, including Fortescue Energy.

From FY24 onwards, Fortescue will no longer buy voluntary carbon offsets unless required by law, as offsets have been shown to be troubled by extensive concerns about quality, lack of additionality and an inability to deliver real reductions in emissions.

Through Fortescue Energy, we are also going to give the world an alternative to fossil fuels.

Gladstone Electrolyser Manufacturing Facility

"Fortescue will invest the money we have previously spent on voluntary offsets for Scope 1 and 2 emissions in real decarbonisation"

MARK HUTCHINSON
Fortescue Energy

2023 is the year the world changed

In recent months, we have all seen the harrowing images of extreme weather happening on every continent, and heat records being broken on an almost daily basis. Tourists being evacuated on boats as the coastline of Greece burns.

This is the "new abnormal," as the LA Times put it. The world is changing faster than we are.

Fortescue isn't in that boat. We started our change a few years ago, in response to clear and early signals in the climate science and in market direction. In July 2023, we announced a unification across our businesses into one green solutions business – green metals and green energy.

Our decision to lead during the climate crisis reflects our commitment to our shareholders. As COVID and Russia's invasion of Ukraine have shown in quick succession, global supply chains are fragile and fossil fuels are volatile, expensive and unreliable.

For years we have been saying that voluntary offsets don't work – they just pass the buck. From FY24 onwards, Fortescue will invest the money we have previously spent on voluntary offsets for Scope 1 and 2 emissions in real decarbonisation that eliminates fossil fuels from our operations.

Fortescue now contains Fortescue Energy – comprised of FFI, Fortescue WAE and Fortescue Hydrogen Systems. Green energy, green hydrogen, and battery systems. The green pincer movement that will allow us to vertically integrate in the new green economy.

As we grow, we continue to keep a laser focus on safety, with FFI achieving a TRIFR of zero in FY23 across our 1,340 employees – not just in Australia but also across the eight regions we work in, including Brazil, China, Indonesia and the USA.

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ABOUT FORTESCUE

Fortescue is both a proud West Australian company and the number 1 integrated green technology, energy and metals company

Since our founding twenty years ago, Fortescue has become one of the world's largest producers of iron ore – globally recognised for its world leading approach to building low-cost, large-scale infrastructure. We are the number 1 integrated green technology, energy and metals company.

Since Fortescue's first commercial shipment of 180,000 tonnes of iron ore departed from Port Hedland, Western Australia to China in May 2008, Fortescue has remained a major, integral supplier of iron ore to the Chinese steel industry. Fortescue is now shipping at an annual rate of over 180 million tonnes with more than 1.9 billion tonnes of iron ore delivered to its customers since 2008.

Our iron ore operations include three hematite mining hubs in the Pilbara and our Iron Bridge magnetite mine. Our three hubs are connected by 760 kilometres (km) of rail to Herb Elliott Port and the Judith Street Harbour towage infrastructure in Port Hedland. We have also just delivered first ore to ship for our high grade magnetite project, Iron Bridge. Fortescue operates eight purpose-built 260,000 tonne capacity ore carriers.

Fortescue is unique within the heavy industry: we are committed to reducing our emissions to Real Zero by 2030 across our Australian terrestrial mining operations – eliminating fossil fuels by developing local renewable power and replacing our existing equipment with battery electric and green hydrogen models.

We also have a net zero Scope 3 emissions target by 2040. Around 98 per cent of those emissions arise from crude steel manufacturing. We are supporting the development of technologies that will help enable our customers to make green steel, without coal, from the full spectrum of Fortescue's iron ore products.

For our size and scale, there is no other mining company in the world that is taking the action we are to eliminate emissions.

The Fortescue group is a top 10 ASX listed company. Fortescue has two divisions – Metals and Energy. They work together for Fortescue as a whole, to ensure allocation of resources is prioritised across the divisions. Our Metals team focuses on our Australian and global iron ore deposits, exploration into new fields and the development of green iron technologies for future use.

Fortescue Energy comprises FFI, Fortescue WAE and Fortescue Hydrogen Systems, focuses on meeting urgent global demand for green energy, aviation fuels, green fertilisers and green shipping fuels. In 2023, the energy business focused on bringing projects to Final Investment Decision.

Fortescue always strives to empower the communities we operate in and deliver positive social and economic change through training, employment and business development opportunities.

This is evident through initiatives such as our Billion Opportunities program which has awarded more than $4.6 billion in contracts to First Nations businesses since it was established in 2011.

OUR OPERATIONS

Iron Bridge

Iron Bridge signifies Fortescue's entry into the high grade segment of the iron ore market, providing an enhanced product range while also increasing annual production and shipping capacity. Located 145km south of Port Hedland, Iron Bridge is Fortescue's first magnetite operation and incorporates the North Star and Glacier Valley magnetite ore bodies.

Unlike Fortescue's hematite operations, Iron Bridge produces a wet concentrate product which is transported to Port Hedland through a 135 km specialist slurry pipeline where dewatering and materials handling occurs.

In coming years, low-cost power will be delivered to Iron Bridge through Fortescue's investment in the Pilbara Energy Connect project, which includes energy transmission line infrastructure, solar gas hybrid generation and associated battery storage solution.

Iron Bridge is an unincorporated joint venture between FMG Magnetite Pty Ltd (69 per cent) and Formosa Steel IB Pty Ltd (31 per cent).

Chichester Hub

Our Chichester Hub in the Chichester Ranges includes the Cloudbreak and Christmas Creek mines and has an annual production capacity of approximately 100 million tonnes per annum (mtpa) from three ore processing facilities (OPFs).

The Christmas Creek OPF infrastructure has previously been upgraded to include a Wet High Intensity Magnetic Separator to recover high-grade iron from the finer ore fed through the OPF. Cloudbreak utilises 20km of relocatable conveyors that can be adjusted and relocated to any new mining areas to offset the increase in costs.

Currently, this conveyor infrastructure helps to otherwise offset a fleet increase and helps manage our product strategy, while being cost-efficient and, when powered by renewable energy in the future, reducing greenhouse gas emissions. Our Chichester Hub is also home to our 60MW solar farm which powers Fortescue's daytime operations at Cloudbreak and Christmas Creek, displacing around 100 million litres of diesel every year.

Solomon Hub

The Solomon Hub in the Hamersley Ranges is located 60km north of Tom Price and 120km to the west of the Chichester Hub. It comprises the Firetail, Kings Valley and Queens Valley mines which together have a production range of 65 to 70mtpa. The expansion to Queens Valley has enabled continued production of the Kings Fines product. Solomon represents a valuable source of production, enabling the blend of higher iron grade Firetail ore with ore from Eliwana and the Chichester Hub to create Fortescue's Blend product.

Western Hub

Fortescue's mine at Eliwana commenced operations in December 2020 and includes a 30mtpa dry OPF and 143km of rail linking the mine to the Hamersley rail line. Together with its innovative low profile designed OPF and dual stacker reclaimer, Eliwana has the capacity to direct load onto trains up to 9,000 tonnes per hour. Eliwana is now producing at an annualised run rate of 30mtpa, contributing to our low cost status and providing greater flexibility to capitalise on market dynamics.

Hedland operations

Fortescue wholly owns and operates purpose-built rail and port facilities. The efficient design and layout, optimal berthing configuration and ongoing innovation to increase productivity make Herb Elliott Port an efficient bulk port operation in Australia. The port has five operating berths and we have been granted approval to increase the licensed throughput capacity of Herb Elliott Port from 175mtpa to 210mtpa.

Our Judith Street Harbour towage infrastructure and fleet of tugs provide safe and reliable towage services that maximise the efficiency of our operations. Designed to complement the port infrastructure, the fleet of eight 260,000 tonne capacity Fortescue Ore Carriers delivers approximately 10 per cent of our shipping requirements, while improving load rates and efficiencies and reducing operating costs. Fortescue's shipping fleet completes our mine to market iron ore value chain.

Integrated Operations Centre

Our Fortescue Hive is a purpose-built Integrated Operations Centre in Perth that opened in 2020 and includes Planning, Operations and Mine Control teams, together with Port, Rail, Shipping and Marketing teams. In FY23, the Hive was expanded to include Iron Bridge control. The Hive operates 24 hours a day, seven days a week to deliver improved safe, reliable, efficient and commercial outcomes.

Belinga Iron Ore Project, Gabon

The Belinga Iron Ore Project in Gabon is Fortescue's first iron ore project outside of Australia.

In February 2023, Fortescue, through its incorporated joint venture company, Ivindo Iron SA, successfully signed a Mining Convention with the Government of Gabon. This governs all legal, fiscal and regulatory regimes for the project. Further legislation is proposed to be enacted during FY24 to give further effect to the above arrangements. First ore was trained to port in June 2023 and we are on track for first shipment by the end of calendar year 2023.

The Belinga project opens growth opportunities for Fortescue throughout Africa. Every indication we have shows the project has the potential to be significant scale and high-grade. Studies continue to advance potential designs of a large-scale development.

Fortescue was founded on the belief that communities should thrive as a result of our success. The investments in the Belinga Iron Ore Project will bring infrastructure and economic opportunities that will benefit national and local communities, including through creating jobs, engaging local businesses and providing training opportunities.

Ivindo Iron is the operating entity for the Belinga project and Fortescue has a 72 per cent indirect interest in the company.

Critical minerals and iron ore exploration

Fortescue started as an exploration company, and we still firmly believe that early stage exploration is the key to unlocking significant value.

In FY23, Fortescue's exploration activities included:

- Continued iron ore exploration in the Pilbara, with resource definition drilling in the Eastern Hamersley and a focus on Nyidinghu and Mindy South and regional exploration in the Western Hub
- Exploration activity primarily focused on early-stage target generation for copper-gold in the Paterson region in Western Australia
- Additional exploration activity for copper in South Australia, New South Wales and Queensland.

International exploration

Our world class exploration capability is driving future growth as we target global opportunities and commodities that support decarbonisation, electrification of the transport sector and broader opportunities. Fortescue has an established presence in Latin America, including Argentina, where we currently hold tenements prospective for copper-gold.

Fortescue is also assessing exploration and development opportunities for critical minerals in Brazil, Chile and Peru. Fortescue has a 25.4 per cent stake in TSX listed Alta Copper Corp. and we support the advancement of the Cañariaco project in Peru. In Kazakhstan, a range of copper targets are being progressed to drilling while work in Portugal is focused on development of lithium opportunities.

Fortescue Energy

Fortescue Energy is our global green energy business. Its focus is on producing commercial scales of green energy and green hydrogen, including derivatives such as green ammonia, to accelerate global decarbonisation of heavy industry, aviation, shipping and fertilisers. We have industry-leading targets to decarbonise its mining sites by 2030 for its Australian terrestrial emissions while achieving net zero Scope 3 emissions by 2040.

We have dozens of green energy and green hydrogen projects under investigation globally and plans to bring projects to Final Investment Decision in 2023.

Currently, our focus is on five key regions:

- Phoenix, USA. Across the US, we are actively developing several potential green hydrogen projects including near Phoenix, Arizona.
- Gibson Island, Australia. With Incitec Pivot Limited, a proposed 550MW green hydrogen and green ammonia facility is currently in the front end engineering design (FEED) stage.
- Nakuru county, Kenya. A proposed, up to 300MW, steam-to-fertiliser facility utilising geothermal steam from the Olkaria region in Nakuru county is currently in the pre-feasibility stage. The project is aimed at the production of green fertiliser for domestic use in Kenya, with the Government of Kenya as the sole off-taker.
- Holmaneset, Norway. A proposed 300MW green ammonia facility is currently in the pre-feasibility stage with renewable energy secured via a long-term conditional Power Purchase Agreement with Statkraft to support our operational plans.
- Pecem, Brazil. A proposed green hydrogen and green ammonia facility at the Port of Pecem, Ceará, is in the pre-feasibility phase.

In addition to the above, we have a number of other exciting opportunities that are being progressed and are expected to be developed and ready for final investment decision during 2024.

Other developments in FY23:

- Construction works completed at our electrolyser manufacturing facility, the Green Energy Manufacturing Centre, in Gladstone, Queensland. Further fit-out of the facility, including the automated production line and testing facilities, has now commenced
- Completion of the R&D Perth Innovation Centre
- Launch of the Colorado Innovation Centre in the USA.

Decarbonisation

Fortescue released its world-leading decarbonisation roadmap in September 2022, which aims to reduce operating costs by eliminating expenditure in diesel, natural gas and offsets. Fortescue is leading the market in terms of its response to customer, community and investor expectations to reduce and eliminate carbon emissions from its operations.

In executing our roadmap, we are using well-established technologies and, in some cases, using those technologies in new ways. We believe battery electric, green hydrogen and green ammonia will all be critical, and we are taking practical steps to apply the best solution to each different situation.

Zero-emission trucks, trains and ships

- In FY23, Fortescue deployed our first prototypes on site. In June, our first battery electric haul truck arrived at Christmas Creek. Roadrunner brings several surface mining firsts, including the ability to fast-charge in 30 minutes and capacity to store regenerated power as it drives downhill.
- A prototype Offboard Power Unit (to power the Liebherr Electric Excavator previously delivered to site) and a prototype 3MW Fast Charger have also been transported to Christmas Creek to continue commissioning and site-based testing.
- Fortescue's hydrogen fuel cell electric truck will be delivered to Christmas Creek in FY24.
- In May 2023, our dual-fuel ammonia-powered locomotive arrived at Solomon to undergo field tests. Commissioning of the locomotive is being completed in readiness for mainline trials in FY24. We are continuing to explore the development of a world-first Infinity Train which would use gravitational energy to recharge its battery electric systems without any additional charging requirements.
- In FY23, Fortescue Energy continued to develop a dual-fuel ammonia powered ship engine. In the second half of calendar year 2023, it will undergo its first sea trials onboard the 75 metre Green Pioneer.

Green iron and green steel

The global interest in green iron and green steel is growing rapidly globally. As part of our commitment to achieving our Scope 3 emissions target, we are working with our customers to reduce their carbon emissions. For example, in FY23, Fortescue announced a Memorandum of Understanding with China Baowu, Fortescue's largest customer and the largest steel maker in the world, to work together on reducing emissions associated with iron and steel making.

We are also conducting R&D to develop technologies needed to decarbonise the iron used to make steel. In FY23, we developed a pilot installation capable of converting iron ore to green iron without coal, with several patent applications filed. The process uses low-temperature electrolysis, which can be powered using renewable electricity and offers a potential pathway to enable the full spectrum of Fortescue's iron ore products to be converted into green iron.

Renewable power on our mining sites

The Pilbara Energy Connect (PEC) project, together with the Chichester Solar Gas Hybrid Project, will deliver 25 per cent of our stationary energy requirements from solar power by FY25. The project will enable renewable electricity generated at any of Fortescue's sites to move between our operations in Port Hedland, Iron Bridge, Cloudbreak, Christmas Creek, Solomon and Eliwana, via over 500km of transmission lines.

The following project milestones were achieved in FY23:

- **North Star Junction to Port Hedland**: 98km of transmission lines and a 220kV substation ($102.5m) now constructed. Commissioning will be finished by August 2023
- **North Star Junction**: construction of a 100MW solar plant ($180m) underway, with commissioning due June 2024
- **Solomon to Eliwana**: Board approval was received ($251m); for construction of 132km of transmission line and a 220kV substation scheduled to start November 2023
- **Lambda to Cloudbreak and Christmas Creek**: Board approval has been received, with procurement underway and construction of 111km of transmission lines and two 220kV substations to start March 2024 ($274m).

The project complements the Chichester Solar Gas Hybrid Project, which was completed in 2021 and provides up to 100 per cent of Christmas Creek's and Cloudbreak's daytime energy needs, displacing around 100 million litres of diesel every year.

OUR APPROACH TO SUSTAINABILITY

Sustainability is critical to the future success of our Company and we integrate it into all aspects of our business

As Fortescue transitions to the number 1 integrated green technology, energy and metals company, our commitment to sustainability expands with us.

We are focused on achieving leading practice and ensuring that communities continue to benefit from our growth and development as we take a global leadership role in addressing climate change and supporting the transition to green energy on a global scale.

Our sustainability commitments are developed in collaboration with our stakeholders and aim to create value for our investors, ensure the health and safety of our employees, protect the environment and empower the communities in which we operate.

Sustainability is integrated into our decision-making, strategic and risk management processes. Compliance with all relevant legislation and obligations, including those that govern health, safety and environment, is the absolute minimum standard to which we operate.

Our unique culture and Values form the base of our sustainability framework, which incorporates specific polices, objectives and targets.

Sustainability governance

Good governance is critical to strong sustainability performance, and our Board is responsible for the oversight of all sustainability matters, receiving regular updates through the Audit, Risk Management and Sustainability Committee (ARMSC). Key outcomes for ARMSC in FY23 include:

- endorsement of the revised Environment Policy
- endorsement of the FPIC Position Statement
- endorsement of the revised Human Rights Policy.

Operationally, sustainability is managed by our Chief Executive Officers with support from our executive Sustainability Committee that meets at least quarterly to oversee all sustainability matters. In FY23, this Committee approved site specific water targets for two operating mine hubs at Eliwana and Solomon. Our Sustainability team coordinates the implementation of our sustainability strategy, related policies and targets across the business.

The Sustainability Committee works to ensure continuous improvement and that the sustainability strategy, related policies and targets are embedded throughout our business. Our sustainability strategy outlines commitments and targets and provides implementation guidance. The early identification and assessment of sustainability matters alerts Fortescue to potential risks and opportunities and enables the planning of mitigation and optimisation strategies. These assessments may result in amendments to a project or avoidance if the risk of proceeding is found to be too high.

Materiality

Material topics are those that may have a significant impact on our ability to achieve our commitments and targets. These topics are identified through an annual assessment process that considers risks and opportunities, external stakeholder views, our internal subject matter expertise and third-party due diligence. The assessment involves a cycle of research, identification, prioritisation, validation and review.

During FY23, our materiality assessment considered the following:

- sustainability initiatives and targets
- corporate risk assessments and audits
- policies, standards and guidelines
- results of internal and external stakeholder engagement
- media and investor interest and feedback
- material topics identified by peers, sustainability leaders and materiality analysis
- benchmarking and environmental, social and governance assessments.

Priorities were informed by internal and external stakeholder engagement. Materiality was validated by subject leaders and the Sustainability Committee, with 12 topics determined to be material within three sustainable development pillars: People, Planet and Process. We have aligned our approach to sustainability with the United Nations Sustainable Development Goals (SDGs) and will continue to work with our host governments as they strive to meet these goals.

In FY24, we will commence a double materiality assessment in accordance with the requirements of the GRI standards. The double materiality process requires a company to judge materiality from two perspectives:

1) "the extent necessary for an understanding of the company's development, performance and position" and "in the broad sense of affecting the value of the company"
2) environmental and social impact of the company's activities on a broad range of stakeholders.

It is expected that this process will continue to evolve our material topics, ensuring that our focus remains on the topics which are most relevant to our business, society and the environment.

Risk-based approach to sustainability

Sustainability risks are considered within our material risk exposures, as reported in the FY23 Corporate Governance Statement, as well as within functional risk assessment processes by business area, project and facility.

The Fortescue Risk Management Framework consists of a Risk Management Policy and a Risk Management Standard. In FY23, we revised our risk matrix, where we define likelihood and consequence criteria to ensure risks are considered consistently across the Company. The risk matrix includes criteria aligned with a number of our material topics, including:

- economic contribution (addressed under financial impact criteria)
- employee safety and wellbeing (addressed under health and safety)
- climate action, protecting biodiversity and protecting water resources (addressed under environment criteria)
- respecting human rights, respecting heritage and culture and building thriving communities (addressed under social/community/heritage criteria)
- business integrity (addressed under reputation and brand, as well as legal and compliance criteria).

Ensuring sustainability risks are adequately considered in our functional risk assessments is an area of focus for Fortescue.

Sustainable finance

Sustainable finance plays a key role in supporting the transition to a low-carbon and more resource efficient economy. Fortescue established a Sustainability Financing Framework in November 2021, to enable the future issuance of green and social debt instruments which will support our investments in eligible green and social projects.

The Framework reflects our strong ongoing commitment to sustainability leadership and acts to align our funding policy with our sustainability strategy and climate change objectives, while mobilising investors to contribute capital towards the realisation of the SDGs.

The Framework outlines eligible green projects including renewable energy, green hydrogen and ammonia, sustainable water management and socio-economic advancement and empowerment initiatives. It also outlines a range of impact indicators that will be used for impact reporting for the use of proceeds.

In April 2022, we issued our inaugural green bond for US$800 million. Our Eligible Projects continue to progress, largely relating to our renewable energy initiatives through the Pilbara Energy Connect Project and the Green Fleet Energy Hub. We have allocated US$414 million to 30 June 2023, an increase of US$109 million from 30 June 2022 and allocation reporting is provided in our FY23 Annual Report which is available on our website at **www.fortescue.com**

Sustainable procurement

Our focus on sustainable procurement continues to develop. In FY23, we prioritised embedding existing sustainable procurement principles into our source to contract process through system integration, relaunching updated tools, templates and guidance documents, and commencing decarbonisation workstreams in our supply chain.

Decarbonisation continues to be a leading priority for Fortescue and is underpinned by what and how we procure goods and services. More information is available in our Climate Change Report which is available on our website at **www.fortescue.com**

We delivered sustainable procurement training for contracting teams and introduced additional due diligence processes for high-risk sourcing activities. This included internal development of a supply chain mapping tool to identify early indicators of broad sustainability risks and deepen our understanding of our supplier's sustainable procurement approach.

Our sustainable procurement program has been further strengthened by appointment of a sustainable procurement representative in the FFI contracting team, along with increased engagement with the Fortescue WAE procurement team in June 2023, assisting them in developing their approach and facilitating initial stages of the integration of the Fortescue WAE procurement systems to Fortescue programs and tools.

In FY24, we will continue to investigate technology solutions to enhance our due diligence program and verification activities. We are also building our capacity for circularity to strengthen our decarbonisation approach by driving waste reduction and smarter product design in our supply chain to reduce our emissions and impact. Next year, procurement and operational teams will work collaboratively with our suppliers to implement an energy efficiency program to further reduce greenhouse gas emissions from our operations.

Voluntary standards and principles for transparent reporting

- Global Reporting Initiative
- ICMM
- Taskforce for Climate-related Financial Disclosures (TCFD)
- United Nations SDG's
- UNGC (including Communication on Progress)
- Voluntary Principles Initiative.

ESG performance measures and benchmarking

- CDP (formerly Carbon Disclosure Project)
- Dow Jones Sustainability Indices
- FTSE 4 Good Index
- ISS ESG ratings
- MOODYS ESG ratings
- MSCI ESG ratings
- S&P Global Corporate Sustainability Assessment
- Workplace Gender Equality Agency.

Awards and recognition

We were honoured to be recognised with these awards, rankings and index inclusions in FY23:

- Parity.org 2023 Best Companies for Women to Advance List
- Salvation Army "Others Award" winner
- Association of Mining and Exploration Companies (AMEC) Aboriginal or Torres Strait Islander Empowerment Award
- Mining Emergency Response Competition winners 2022 (Fortescue Chichester team)
- S&P Global 2022 Corporate Sustainability Assessment – top five per cent of the steel industry
- S&P Global 2023 Sustainability Yearbook Member
- CDP Climate Change 2022: B
- CDP Water Security 2022: B
- Dow Jones Sustainability Index: Australia
- Dow Jones Sustainability Index: Asia Pacific
- Dow Jones Sustainability Index: World
- FTSE4Good ESG Index
- MSCI AA rating.

MEASURING OUR PERFORMANCE

PEOPLE

Employee safety and wellbeing

OBJECTIVE: To be global leaders in safety

TARGET: Achieve zero fatalities

Fatalities

FY23	0
FY22	1
FY21	0

OBJECTIVE: To be global leaders in safety

TARGET: Reduce our injury risk profile by 15 per cent

Injury risk profile reduction (Fortescue Metals)

FY23	22%
FY22	21%

OBJECTIVE: To be global leaders in safety

TARGET: Maintain TRIFR below the global resources industry lowest quartile

TRIFR (Fortescue Metals)

FY23	1.8
FY22	1.8
FY21	2.0

OBJECTIVE: To be global leaders in safety

TARGET: TRIFR not exceeding 4.0

TRIFR (FFI)

FY23	0.0
FY22	0.7

Female employment and development

OBJECTIVE: Increase the number of female employees to be reflective of general society

TARGET: Year on year increase in female employment

Female employment

FY23	23%
FY22	23%
FY21	21%

OBJECTIVE: Increase gender diversity in FFI

TARGET: Increase female employment in FFI >38 per cent

Female employment in FFI

FY23	34%
FY22	34%

OBJECTIVE: Provide opportunities for female employees to move into leadership positions

TARGET: Year on year increase in female employment in leadership roles

Females in leadership roles (Manager and above)

FY23	26%
FY22	24%
FY21	25%

First Nations Australians employment and development

OBJECTIVE: Increase the number of First Nations Australian employees to be reflective of general society

TARGET: Year on year increase in our First Nations Australian employment rate

First Nations Australian employment in Australian workforce

FY23	10%
FY22	10%
FY21	10%

OBJECTIVE: Increase the number of First Nations Australian employees to be reflective of general society

TARGET: Year on year increase in the First Nations Australian employment rate in Pilbara operations

First Nations Australian employment in Pilbara operations

FY23	16%
FY22	15%
FY21	14%

OBJECTIVE: Provide opportunities for First Nations Australian people to move into leadership positions

TARGET: Year on year increase in the First Nations Australian employment rate in leadership roles

First Nations Australian leadership roles

FY23	4%
FY22	4%
FY21	4%

Respecting heritage and culture

OBJECTIVE: Work together with Indigenous people to manage First Nations heritage responsibly and sustainably

TARGET: Annually, ensure no impact to First Nations heritage without consultation with and consent from First Nations people

Significant heritage incidents

FY23	0
FY22	0
FY21	1

Building thriving communities

OBJECTIVE: Create economic opportunities for First Nations businesses through local procurement, business development, mentoring and capacity-building opportunities

Target: Annually, achieve a spend of 10 per cent with First Nations businesses

Spend with Aboriginal businesses

FY23	5%
FY22	5%
FY21	5%

PLANET

Protecting biodiversity

OBJECTIVE: To take responsibility for Fortescue's disturbance by protecting biodiversity in the regions where we operate

TARGET: Achieve a net positive impact on biodiversity

FY23 progress:

- 0 significant environmental incidents
- Ongoing implementation of our environmental management system
- $4.7m invested in research and conservation programs
- Progressing TNFD pilots for a number of our projects and operations

OBJECTIVE: To take responsibility for Fortescue's disturbance by protecting biodiversity in the regions where we operate

TARGET: Achieve zero significant environmental incidents

Significant environmental incidents

FY23	0
FY22	0
FY21	0

Building circularity

OBJECTIVE: To reduce waste generation through prevention, reduction, recycling and reuse

TARGET: Recycle more than 80 per cent of our non-mineralised waste volumes at our operating sites, excluding tyres and concrete waste

Waste recycled

FY23	81%
FY22	83%
FY21	87%

Protecting water resources

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Set public, site-specific water management targets for each of our operating mines by FY23

Operating mine sites with site-specific targets

- FY23: Eliwana and Solomon mine sites targets set
- FY19: Chichester Hub (Christmas Creek and Cloudbreak mines) targets set

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Annually, ensure at least 80 per cent of water abstracted at the Cloudbreak and Christmas Creek mine sites is used for operational requirements or beneficial environmental purposes

Progress

FY23	96%
FY22	99%
FY21	98%

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation.

TARGET: Pilot the Minerals Council of Australia Water Accounting Framework at Eliwana, in line with the ICMM Water Stewardship Framework, in FY24, to provide a catchment-wide view of water flows, uses and quality.

Progress

- FY23: New target set in FY23. Progress to be reported in FY24.

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Complete a site-wide water resource efficiency assessment for Solomon in FY24 to inform long term water efficiency planning.

Progress

- FY23: New target set in FY23. Progress to be reported in FY24.

Closure and rehabilitation

OBJECTIVE: Ensure the closure of our mines and key infrastructure areas is undertaken in a planned approach, with appropriate financial provisioning in place

TARGET: Closure plans to be in place for each major operational site

Closure plans in place

FY23	100%
FY22	100%
FY21	100%

PROCESS

Business integrity

OBJECTIVE: To ensure our Values reflect ethical conduct and respect and are embedded in the business

TARGET: Annually, ensure ethical conduct is maintained by a targeted program, including leadership development, training, performance assessments and remuneration

Employees attending advanced anti-bribery and corruption training

FY23	766
FY22	863
FY21	264

Economic contribution

Objective: Deliver value to our communities through strategic social investment

Target: Allocate funding according to priorities set in the community investment strategy

Social investment

FY23	$101.8 million
FY22	$77.4 million
FY21	$63.2 million

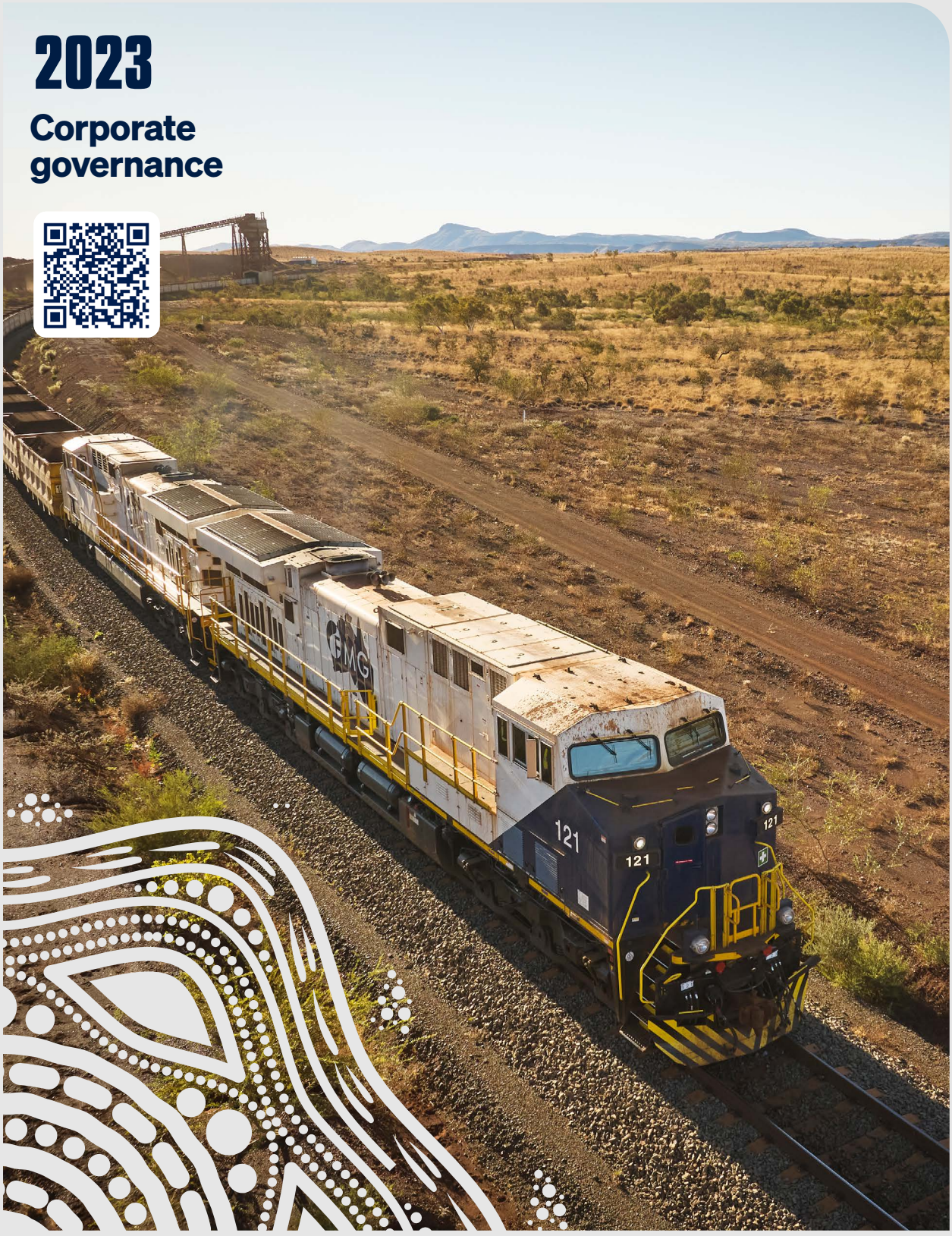
Progress against our targets for climate action is reported in the FY23 Climate Change Report which is available on our website at **www.fortescue.com**

Our FY23 Modern Slavery Statement will be published in December 2023. Progress against our targets for respecting human rights is reported in the FY22 Modern Slavery Statement which is available on our website at **www.fortescue.com**

CORPORATE GOVERNANCE

2023

Corporate governance



03

Good corporate governance is critical to the long-term, sustainable success of Fortescue

Good governance is the collective responsibility of the Board of Directors and across all levels of management. Fortescue seeks to adopt leading practice and contemporary governance standards and apply these in a manner consistent with our culture and Values.

Fortescue supports the intent of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations). Unless otherwise disclosed, Fortescue has reported against the requirements of the Principles and Recommendations.

The cornerstones of our corporate governance are:

Transparency

Being clear and unambiguous about our structure, operations and performance, both externally and internally, and maintaining a genuine dialogue with, and providing insight to, stakeholders and the market generally.

Integrity

Developing and maintaining a corporate culture committed to ethical behaviour and compliance with the law.

Empowerment

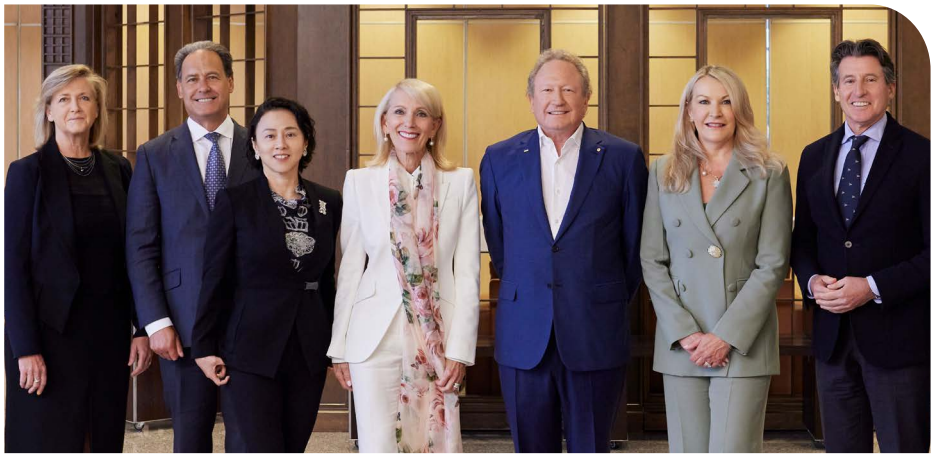
Everyone at Fortescue is empowered to make decisions that support our objectives and are in the best interests of stakeholders. Management and employees are encouraged to be innovative and strategic in making decisions that align with our risk appetite and are undertaken in a manner consistent with corporate expectations and standards.

Corporate accountability

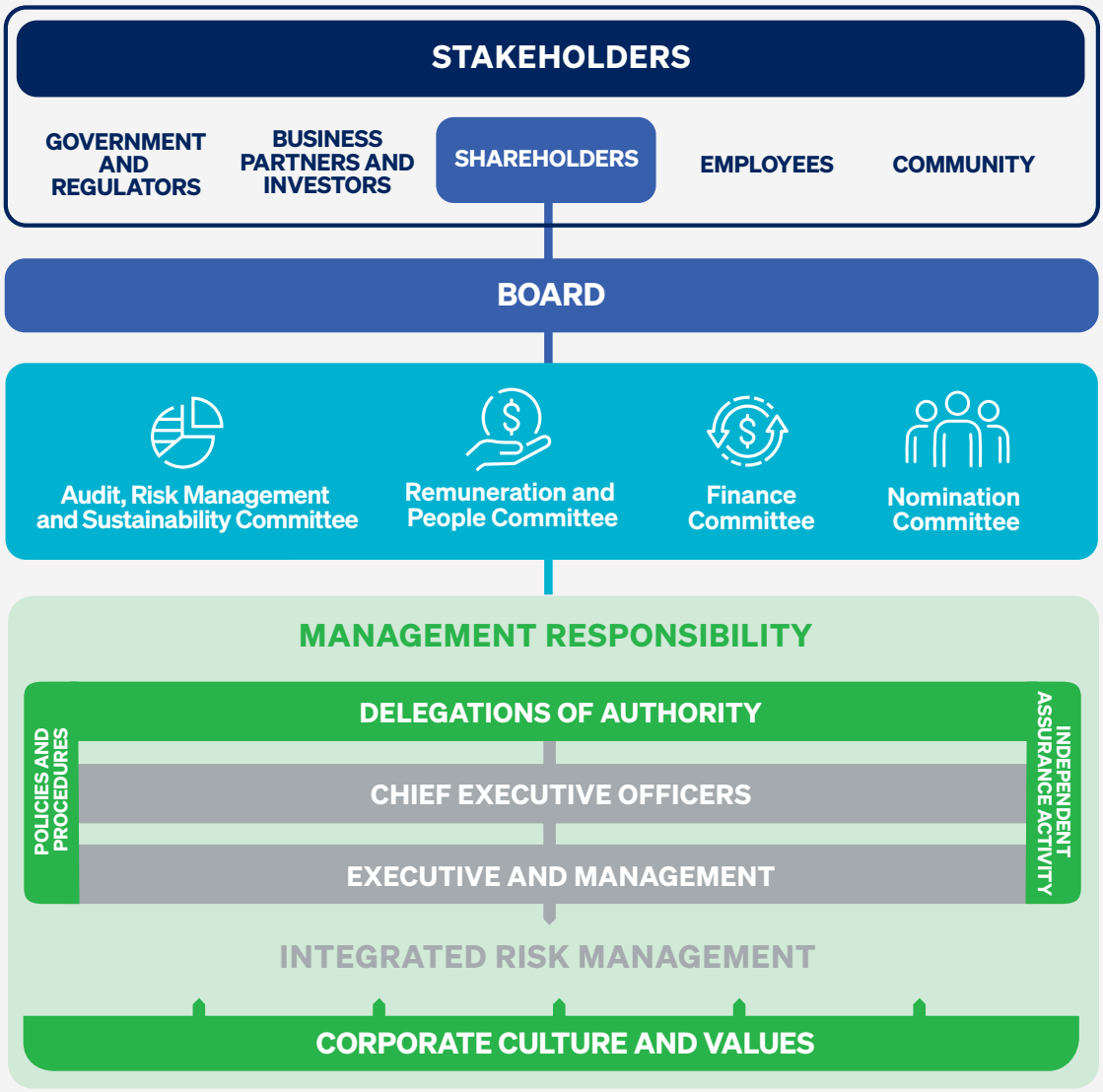
Ensuring that there is clarity of decision-making, with processes in place to authorise the right people to make effective and efficient decisions with appropriate consequences when these processes are not followed.

Stewardship

Developing and maintaining a company-wide recognition that Fortescue is managed for the benefit of its shareholders, taking into account the interests of other stakeholders.



GOVERNANCE FRAMEWORK



Our overall approach to corporate governance is detailed in our FY23 Corporate Governance Statement, available on our website at **fortescue.com**

OUR BOARD

Fortescue has a talented and diverse Board committed to enhancing and protecting the interests of shareholders and other stakeholders and fulfilling a strong governance role

Dr Andrew Forrest AO
Executive Chairman[1]

Mark Barnaba AM CitWA
Lead Independent Director and Deputy Chairman

Elizabeth Gaines
Executive Director and Global Ambassador Fortescue[2]

Lord Sebastian Coe CH, KBE
Non-Executive Director

Penny Bingham-Hall
Non-Executive Director

Dr Jean Baderschneider
Non-Executive Director

Yifei Li
Non-Executive Director[3]

[1] Dr Andrew Forrest AO was Non-Executive Chairman up to 31 August 2022.

[2] Elizabeth Gaines was Chief Executive Officer and Managing Director up to 31 August 2022, and from 1 September to 30 June 2023, Non-Executive Director and Global Ambassador Fortescue.

[3] Yifei Li was appointed Non-Executive Director on 22 August 2022.

Not pictured are Dr Ya-Qin Zhang, Non-Executive Director up to 22 November 2022, and Jennifer Morris, Non-Executive Director up to 30 June 2023.

LEADERSHIP TEAM

Fortescue's Leadership team is accountable for the safety of our people, upholding the Values and acting with integrity and honesty

Dino Otranto

Chief Executive Officer,
Fortescue Metals

Mark Hutchinson

Chief Executive Officer,
Fortescue Energy

Christine Morris

Chief Financial Officer,
Fortescue Metals

Deborah Caudle

Chief Financial Officer,
Fortescue Energy

STAKEHOLDER ENGAGEMENT AND COLLABORATION

2023

Shareholder information

04

Our engagement with stakeholders is underpinned by our Value of integrity and we are committed to ensuring our engagement delivers meaningful outcomes

Fortescue engages with a broad range of stakeholders who have an interest in our business and operations. To do this we conduct effective, locally appropriate, and sustained stakeholder engagement. Our approach aims to be transparent, participatory and inclusive.

We recognise that effective stakeholder engagement is critical to maintaining our reputation and long-term social licence to operate wherever we are present. We continue to extend our effective and meaningful stakeholder engagement established by Fortescue in Australia to our global minerals and green energy activities. During FY23, we applied our stakeholder engagement approach for projects across the globe, spanning Australia and New Zealand, South-East Asia, the Middle East, Europe, Central Asia, North and South America and Africa.

To manage our stakeholder engagement records effectively we implement a customised stakeholder relationship management tool across our business. This system assists us in tracking our stakeholder engagement, allowing our specialist teams to ensure that consultation is undertaken in accordance with the requirements of the jurisdictions we are working in and that we have visibility across all our stakeholder groups. Stakeholder engagement is undertaken for all assets, from project planning stages through to post-closure.

Stakeholder identification

We identify our stakeholders as those that are connected to or influenced by our business activities. Our stakeholders include our employees and contractors, investors, regulators, elected government representatives, community members, landowners, Traditional Custodians, Indigenous and ethnic minority groups, customers, suppliers and industry peers, media as well as non-government and community-based organisations. We take a long-term view and plan our engagement in a manner that builds trust and respect. Stakeholders are identified according to their level of interest, potential impacts and opportunities, and we prioritise engagement with those who may be directly impacted by our activities.

Engagement

Our Stakeholder Engagement Guidelines support the development of a specific Stakeholder Engagement Plan for each project or significant activity. The Stakeholder Engagement Plan sets out the identified stakeholders, the relevant issues and the engagement required during the process together with the tools, actions, management and monitoring needed. Each Stakeholder Engagement Plan ensures a stakeholder register is maintained, guiding the levels of engagement for relevant stakeholders of the projects.

We share information, listen to community members and leaders, including Indigenous peoples and other vulnerable groups, and directly support local workers and businesses to ensure the benefits of our proposed projects, developments and activities are maximised.

In FY23, we developed a Free, Prior and Informed Consent (FPIC) Position Statement. This Statement outlines our commitment to strive to obtain and maintain the FPIC of affected First Nations people across all phases of an activity's lifecycle. Where FPIC is not reflected in domestic law, we commit to the higher standard articulated in the Statement.

We ensure access to appropriate local level grievance mechanisms and will provide for, or cooperate in, appropriate remediation for any identified adverse impacts that we may cause or contribute to, consistent with the United Nations Guiding Principles on Business and Human Rights. This commitment is in alignment with our Human Rights Policy and the International Finance Corporation (IFC) Performance Standard 7.

To support the implementation of our revised Human Rights Policy, a Communities and Social Performance Standard has been developed. The Standard sets out our global approach to managing social performance throughout the lifecycle of our projects and is applicable across all our operations and infrastructure activities. Our overarching objective is to obtain and maintain community support, creating an environment that fosters thriving communities and leaves a positive project legacy. The Standard helps us to do this by stipulating six mandatory requirements:

1. building and maintaining stakeholder acceptance
2. managing social risks
3. managing social impacts effectively
4. supporting thriving communities
5. addressing community complaints
6. ensuring our commitments are effective.

In Australia, engagement with First Nations Australians is managed by our Native Title and Cultural Heritage teams. We acknowledge the special connection that Indigenous peoples have with the land and seek to work with them to build respectful relationships for mutual benefit. Engagement with local communities and stakeholders across Australia is led by our Community team.

Internationally, Fortescue's Global Communities and Social Performance team engage with local communities and stakeholders in the areas being evaluated for mining exploration and green energy projects. These teams adopt leading practice approaches to building trust and mutual respect with potential host communities, landowners and users and First Nations people wherever Fortescue is present.

For green hydrogen projects, we undertake stakeholder engagement in accordance with the requirements of the Green Hydrogen Standard, developed by the Green Hydrogen Organisation. The Green Hydrogen Standard requires that organisations undertake broad-based stakeholder consultation, engaging with governments and their agencies, companies and their suppliers and local communities which may be affected by the project, financial organisations, investors and non-governmental organisations in order to build trust, maximise our social licence to operate and support local economic development opportunities.

We recognise that stakeholder interests and concerns are commonly raised early in the project lifecycle, often when limited information is available. We design our engagement activities to disclose project information as early as possible in our project lifecycle and we continue to engage transparently thereafter.

CASE STUDY

EARLY ENGAGEMENT FOR THE HOLMANESET PROJECT IN NORWAY

Fortescue Energy has commenced early engagement with local communities regarding the proposed green hydrogen and green ammonia production site at Holmaneset, in the Bremanger Municipality in western Norway. This engagement aims to build constructive and respectful stakeholder relationships that are essential to developing the project in a socially and environmentally sustainable manner.

Fortescue Energy is developing a Zoning Plan in cooperation with the Bremanger Municipality and the support of local Norwegian consultants. The Zoning Plan process includes a series of desktop and field investigations informing the assessment of potential environmental and social impacts. Throughout this process, local communities and authorities will be actively engaged and provided with information and opportunities to formally comment.

The first of two public review periods took place in late FY23, where local communities and other stakeholders were able to provide comment on the planning program, which outlines the proposed project and impact assessment framework. During this period, Fortescue Energy hosted a public hearing at the local community centre in Svelgen, which was also live streamed by a local newspaper to maximise accessibility.

The public hearing was supported by the Municipality, with the Mayor of Bremanger, Anne-Kristin commenting, "The meeting confirmed for me the impression of Fortescue as a serious actor who takes social responsibility where they establish themselves, and who sees integrity and possibilities in what they are doing. To cooperate with such an actor, I think we cannot say no."

Fortescue Energy also hosted an open office day at the Bremanger Municipality town hall to allow members of the local community to informally meet the team, ask questions and receive more information about the proposed project and Fortescue Energy. Our aim is to provide meaningful information and allow for open two-way discussions, so as to understand and consider community values and interests in our project design and decision-making processes as we progress.

This report outlines our sustainability commitments and performance and is supported by communication throughout the year via media statements, company publications, our Annual General Meeting, our website and engagement with specific stakeholders. To ensure meaningful conversations and outcomes, the form and frequency of engagement depends on the stakeholder and the issues relevant to them.

We welcome all our stakeholders to contact us with their feedback, questions and ideas and will respond in a timely manner. We aim to provide multiple avenues for feedback and communication, to serve our broad range of stakeholders.

Stakeholders	Key interests and concerns	How we engaged	Related material topics	Page
Employees and contractors Fortescue and our subsidiaries' employees and contractors	Health, safety and wellness Fortescue growth and targets Employee safety in fly-in fly-out (FIFO) Leadership changes	Weekly company wide meetings, intranet, company newsletter, team meetings, surveys, direct engagement, email, Workplace (an online collaborative platform), direct SMS	Employee safety and wellbeing Diversity, inclusion and equity Economic contribution	33 39 79
Communities Local residents, businesses and organisations, special interest and community groups, landowners, pastoralists Residential workforce	First Nations business development Local jobs, procurement opportunities and training Community development Competing land uses Environmental protection Water and air quality Support requests	Direct engagement, phone calls, email, newsletters, local media including newspapers, meetings, events, website, feedback, sponsorships, Community Grants Program, VTEC	Respecting human rights Building thriving communities Economic contribution	47 55 79
First Nations peoples First Nations peoples, including native title partners	Indigenous heritage protection Business development Benefits sharing Environmental protection Project participation and training	Direct engagement, phone calls, email, newsletters, local media including newspapers, meetings, events, website, feedback, sponsorships, Community Grants Program, VTEC and heritage surveys	Respecting human rights Respecting heritage and culture Building thriving communities	47 51 55
Suppliers We source from a range of businesses, including both local and multinational businesses	Supply chain disruptions and rising costs Local supplier opportunities COVID-19 and skill shortages Modern slavery due diligence	Website, emails, direct engagement, monthly/ quarterly reviews, health and safety briefings, checklists and questionnaires, supplier visits	Respecting human rights Business integrity Economic contribution Innovation and technology	47 77 79 89
Customers We supply our products to a global market	Iron ore price and trends Changing regulations Resource availability War in Ukraine and raw materials supply Decarbonisation strategy	Direct engagement, email, site visits, market briefings, annual reports, including Sustainability Report, Annual Report, Climate Change Report	Climate action Business integrity Economic contribution Innovation and technology	59 77 79 89
Shareholders and investors We share regular updates with analysts, shareholders and investors via our reporting mechanisms	Iron ore price and trends COVID-19 impact and pressures Fortescue Energy growth and targets Decarbonisation strategy Heritage management Leadership changes	Website, investor briefings, annual general meeting, emails, annual reporting suite including Sustainability Report, Annual Report, Climate Change Report	Respecting heritage and culture Climate action Business integrity Economic contribution Innovation and technology	51 59 77 79 89
Government and regulators We engage across all levels of government, including local, state and national, in multiple countries	Skill shortages Inflation Resource management Competing land uses Indigenous heritage Workforce safety Changing climate policies Approvals processes and concerns Regulatory reform, including support for new energy projects Environmental protection Biodiversity and endangered species	Meetings, briefings, presentations, events, working groups, forums, letters, emails, formal submissions, website, participation in industry associations and advocacy bodies, annual reports, including Sustainability Report, Annual Report, Climate Change Report	Diversity, inclusion and equity Respecting heritage and culture Climate action Protecting biodiversity Protecting water resources	39 47 59 61 65
Non-government organisations (NGOs) Social investment partners, education institutions, industry groups and peak bodies	Skills shortages Diversification of workforce Gender equity Climate and environment Human rights First Nations people	Direct engagement, email, events, partnerships, website	Diversity, inclusion and equity Building thriving communities Climate action Protecting biodiversity	39 55 59 61

Grievance processes

Our Whistleblower Hotline provides an independent, confidential and anonymous mechanism for anyone, including employees, contractors and members of the community, to raise concerns regarding potential illegal activity or breaches of the Code. Grievances can also be raised using the contact us function on Fortescue's website.

Community grievances are managed in accordance with our Grievance Procedure, which is aligned with the United Nations Guiding Principles on Business and Human Rights. The procedure requires that wherever Fortescue has an active presence a local-level grievance mechanism is established to provide a formal process for the community to raise concerns and ensure transparency in grievance management. During FY23, Fortescue, together with our Ivindo Iron Joint Venture partner, established a local feedback procedure to support the Belinga Iron Ore Project in Gabon.

Where projects have an in-country presence, a local level grievance mechanism will be developed and publicised. All community grievances received were investigated by our local team and closed out with agreement from all parties involved. None were categorised as serious.

It is anticipated that more community grievances will be lodged in future as Fortescue's activities develop and grow internationally, in line with the progression of key projects. To ensure we continue to manage grievances effectively, our project teams have been trained to address specific community related grievances with the support of our regional and corporate teams.

CASE STUDY

KENYA COLLABORATION

In November 2020, we signed a Framework Agreement with the Government of Kenya to conduct studies into green hydrogen. The Agreement framed a collaboration and Fortescue agreed to undertake a study with a view to ensuring local benefits accrue to the Republic of Kenya as a result of any project. To ensure a fair reflection of Kenyan capacity and capability, we collaborated with Strathmore University in Kenya to undertake the study.

The role of Strathmore University was to research and assess the availability of labour, training, goods and services against the demand profile for green hydrogen projects. The Strathmore team and Fortescue collaborated to develop the findings of the study to present to key stakeholders.

The study is unique in that it provides detailed information on the future skills and supply chain opportunities, well ahead of project detailed design and approvals. It has identified gaps in future skills and the supply chain, which are key to informing future interventions, to be developed in collaboration with academia, government, donor programs and industry.

The study and subsequent interventions will inform the development of Fortescue's Local Content Plan as part of government approvals for future projects, and demonstrates our commitment to local content.

CASE STUDY

BELINGA EXPLORATION AND MINING PROJECT

Fortescue, through our Joint Venture Ivindo Iron, has received approval to commence Phase 1 of the Belinga Iron Deposit Exploration and Mining Project, located in the Ogooué-Ivindo province of north-eastern Gabon in central Africa. An Environmental and Social Impact Assessment was carried out for the project, identifying a number of potential social impacts including overlap of community activities, transport impacts (including noise and dust), influx of people to the project area, employment for local people and impacts to the local and national economy.

Stakeholder engagement is underway, in accordance with the Stakeholder Engagement Plan, which aims to:

- build the social license to operate the project
- establish processes and standards for community and stakeholder engagement, including record keeping in a centralised database
- ensure a permanent, transparent and open dialogue with stakeholders, in particular local communities
- establish a grievance mechanism tailored to the grievance project to provide timely and transparent responses to community grievances and concerns.

Formal consultation commenced in 2022, and Ivindo Iron has engaged with a range of government agencies, local and regional authorities, traditional authorities and local communities within the project area and along transportation routes.

Memberships and commitments

We are members of a broad range of industry groups and associations, allowing us to contribute in a coordinated way to the development of effective policy frameworks, share best practice and access information and insights on material topics.

Associations and organisations are assessed against specific criteria before membership is recommended. All memberships must be approved by the relevant CEO or an approved delegate.

Criteria considered in the selection and approval of memberships includes:

Value proposition	Benefits of joining and value to Fortescue
Policies and public positions	Alignment of the association's policies and public positions with our Values, objectives and policy framework, particularly regarding climate change, environmental stewardship, sustainability, diversity, human rights, employment of First Nations peoples and community engagement
Conditions of joining and ongoing obligations	Internal commitment needed to meet conditions of memberships and ongoing obligations or standards
Members	Existing members of the association, reputation and potential risks
Governance	Strong governance demonstrating the association's competency, diversity, skills and experience
Management	Internal dedicated executive to manage relationship and obligations

This year, we participated in over 70 industry groups and associations, contributing $2 million in fees.
Our most significant memberships of FY23 include:

- Chamber of Minerals and Energy (CME) Western Australia – $571,627
- Port Hedland Industries Council (PHIC) – $380,000
- Australian Resources and Energy Employer Association – $129,000
- Business Council of Australia – $90,000
- Amira Global – $70,000.

Several memberships were discontinued in FY23, though none as a result of policy misalignment. One membership remains under investigation for potential misalignment with our policies and public positions moving into FY24.

Our FY23 Industry Association Report is available at **www.fortescue.com**

CASE STUDY

COLLABORATIVE COMMUNITY ENGAGEMENT

Fortescue is committed to supporting and building the Pilbara region and ensuring the local townships are vibrant and sustainable communities. Through representation and genuine engagement, Fortescue is actively involved in a diverse range of community forums and regional committees that focus on maximising opportunities and addressing local concerns.

Pilbara Family Domestic Violence Network

The Pilbara Family Domestic Violence Network (PFDVN) brings together domestic violence service providers across the region to enable collaboration at a high level, while being informed by frontline services about the needs and gaps in service delivery. The aim of the PFDVN is to have a regional approach to address challenges and identify opportunities for improvement in addressing family and domestic violence.

Fortescue continues to highlight the important conversations about inappropriate behaviour within our society and we stand together in recognition of the need to eliminate family and domestic violence in communities through our representation on the PFDVN and local action groups to support awareness campaigns, education initiatives and perpetuator programs.

Chamber of Minerals and Energy

Through the CME, Fortescue is actively involved on the Pilbara Regional Council, which provides a platform for local industry representatives to identify and discuss regional matters and initiate response strategies to support the growth and development of communities within the Pilbara.

A key initiative delivered through this forum was the development and implementation of a digital technologies education program that provides 'hands-on' resources sector applications, drawing on real world examples from across the sector. This program has been delivered in schools across the Pilbara with the aim to increase student awareness and interest in digital technology career pathways and support teachers to successfully deliver real-world digital technology content.

Port Hedland Industries Council

The PHIC works with industry to support the growth and development of the port of Port Hedland and provides an opportunity for industry to collaborate on social, economic and environmental issues for the benefit of the local Port Hedland community.

Fortescue representatives are actively involved on various working groups and management levels of PHIC, championing environmental stewardship, ensuring high quality standards and industry best practice is met and ensuring a strong and thriving Port Hedland community. PHIC established the Community Industry Forum which provides a direct channel for information sharing and genuine engagement between industry and the community.

PEOPLE – BUILDING SUSTAINABLE COMMUNITIES

05

EMPLOYEE SAFETY AND WELLBEING

Safety is a Fortescue Value and is deeply ingrained in our culture

Employee safety and wellbeing

OBJECTIVE: To be global leaders in safety	OBJECTIVE: To be global leaders in safety	OBJECTIVE: To be global leaders in safety	OBJECTIVE: To be global leaders in safety
TARGET: Achieve zero fatalities	**TARGET:** Reduce our injury risk profile by 15 per cent	**TARGET:** Maintain TRIFR below the global resources industry lowest quartile	**TARGET:** TRIFR not exceeding 4.0
Fatalities	**Injury risk profile reduction (Fortescue Metals)**	**TRIFR (Fortescue Metals)**	**TRIFR (FFI)**
FY23 0	FY23 22%	FY23 1.8	FY23 0.0
FY22 1	FY22 21%	FY22 1.8	FY22 0.7
FY21 0		FY21 2.0	

At Fortescue, we recognise the importance of prioritising the health, safety and wellbeing of our employees, contractors and communities. As we strive to become global leaders, we believe that fostering a culture of wellness and ensuring a safe work environment are fundamental to our success.

Our Board holds ultimate accountability for safety and occupational health management, overseeing strategic decisions in these areas. Our Executive team assumes the responsibility of effectively managing health and safety within the organisation's day-to-day operations.

This health, safety and wellbeing summary highlights some of our programs and achievements in promoting health, safety and wellbeing at Fortescue during FY23.

Industry-leading safety standards

We recognise that our activities have the potential to expose our employees, contractors and communities to health and safety risks. We work to identify these risks and ensure suitable controls are in place to mitigate them.

We maintain a safety management system supported by the Health, Safety and Risk Management System Standard, based on global best practices, adhering to regulatory requirements and international standards.

Our safety management system is based on the Plan, Do, Check, Act process and incorporates both employees and contractors. Where our contractors have their own internal safety systems, we apply a verification process to ensure safety systems are aligned and that there is adherence to commitments.

Our system assurance process comprises three levels:

- Level 1 – Site Audits,
- Level 2 – Business Unit Assurance
- Level 3 – Group Assurance.

We perform Level 1 and 2 assurance internally to ensure that safety systems are in compliance with our standards, while external assurance (Level 3) is focused on selected management system elements. This includes incident event management and safety metrics which are conducted by external parties.

Our Major Hazards Program includes critical safety activities designed to prevent fatalities and serious harm.

Our health and safety policy and procedures are continuously reviewed and updated to reflect the latest advancements in safety best practices, industry metrics and benchmarks.

We work with industry and regulatory leaders to maintain the highest standards of education, coaching, training, monitoring and reporting.

Psychosocial safety

We are committed to continually improving our psychological safety controls and improving the literacy of the Fortescue family. In addition to our wellbeing support services, we have embarked on a series of Toolbox Talks. The sessions completed during FY23 are *Being a Good Bystander*, *Modelling Good Behaviour and How to Raise Concerns*. The Toolbox Talks have been completed by

team members across our business. In addition to the Toolbox Talks for all team members, we have also deployed psychosocial awareness training for leaders. The training is aligned to the Western Australian Government *Psychosocial hazards in the workplace* Code of Practice and aims to create awareness of psychosocial risk factors, controls and the role of the leader supporting their team members.

Wellbeing

Our wellbeing programs focus on holistic health, encompassing physical, mental and emotional wellness. We recognise the importance of mental health, providing resources such as confidential counselling services, mental health and mindfulness training and stress management workshops to promote mental wellbeing and create psychologically safe work environments.

Our Employee Assistance Program (EAP) offers 24/7 support via professional counselling services for employees, contractors and their families. The AltiusLife app by EAP provides team members with resources and tools to support physical, social and mental health. This includes articles, health assessments, recipes and access to live webinars.

Our Chaplaincy Team, a dedicated pastoral care service, offers onsite support to all employees, contractors and their families.

Process safety integration

The growth of our business into green energy production introduces novel risks linked to the handling, storage, and transportation of green energy resources, as distinct from our conventional iron ore operations. To address these risks, we have integrated the management of process safety risks into our health and safety management system.

Process safety is a disciplined framework for managing the integrity of hazardous operating systems and processes by applying safety in design principles, engineering, operating and maintenance practices.

The Global Monitoring Centre

Our Global Monitoring Centre (GMC) serves as a critical component to our organisation, dedicated to identifying and assessing global risk that may impact the safety, security, reputation or information of our employees and assets.

The GMC team encompasses experienced professionals specialising in security, intelligence, and logistics. The GMC provides direct support by delivering timely alerts, security risk advice, and comprehensive analysis to inform decision-making and enhance our preparedness.

It operates continuously, 24 hours a day, 365 days a year, leveraging various data providers and advanced software platforms to access the latest and most pertinent information available.

Emergency management

At Fortescue, we recognise the importance of taking a proactive approach to emergency management, which is a fundamental aspect of our commitment to sustainability. We acknowledge that emergencies can pose significant risks to our people, the environment, and our operations.

We have implemented robust emergency response plans and systems to mitigate and respond to potential incidents effectively. Our emergency management framework encompasses comprehensive risk assessments, regular training programs, and the establishment of clear communication channels to ensure a swift and coordinated response during incidents.

We continuously evaluate and enhance our emergency preparedness through scenario-based exercises and lessons learned, incorporating industry best practices and technology advancements. By prioritising the safety and wellbeing of our workforce, minimising environmental impacts, and maintaining operational resilience, we strive to protect our people and communities from the potential consequences of emergencies.

In November 2022, the Fortescue Chichester team were the overall winners of the Mining Emergency Response Competition.

Alcohol and other drugs

We are dedicated to mitigating the potential hazards associated with alcohol and other drugs, ensuring employees can perform their duties safely without impairment from substances.

As part of our comprehensive recruitment process, all employees are required to undergo alcohol and other drug screening. Additionally, we conduct random, blanket, and 'for cause' testing programs in a fair and unbiased manner.

In our continuous efforts to prevent and manage substance abuse, we have implemented a range of initiatives. These initiatives encompass online awareness and training programs, the establishment of the Speak Up program, and the provision of support through our dedicated leadership teams, Chaplains and EAP.

Through these measures, we aim to foster a supportive environment and provide resources to individuals dealing with substance abuse, ensuring their wellbeing and promoting a safe and healthy workplace.

Industry-leading health standards

We strive to safeguard the wellbeing of our team members by actively monitoring their health and detecting early signs of potential occupational hazards. We have implemented a health surveillance program tailored to the specific risks associated with operational roles.

This program includes medical examinations, audiometric assessments, silica health assessments, dust monitoring and the collection of relevant data to identify and address any emerging health issues.

By implementing our health surveillance program, we can ensure a high standard of health and safety for our workforce, promoting a culture of prevention and proactive management of occupational risks.

Key performance outcomes

Our key performance indicators (KPIs) related to safety are used to assess performance, identify areas to drive continuous improvements and determine data-driven decisions which enhance workplace safety within our business. To validate this, we utilise three important KPIs which are significant incident frequency rate (SIFR), TRIFR, and incident severity frequency rate (ISFR).

SIFR measures the frequency of significant incidents within a given period, providing insights into the most serious safety incidents. It helps to identify high-risk activities or hazards that may have the potential for catastrophic consequences.

TRIFR focuses on the total number of recordable injuries per million hours worked. It offers a comprehensive overview of all injuries, including those requiring medical treatment, restricted work injuries, or lost time injuries. TRIFR serves as a benchmark to compare safety performance.

ISFR specifically measures the severity of incidents by tracking the number of lost workdays or days restricted due to injuries. This KPI provides valuable insights into the impact of injuries on the injured person, as well as workforce productivity and overall business operations. By monitoring ISFR, we can identify areas where injuries are resulting in significant work disruptions and assess the effectiveness of our rehabilitation and return-to-work program.

Fortescue		SIFR	TRIFR	ISFR
Metals		FY23: 2.0	FY23: 1.8	FY23: 67
		FY22: 2.5	FY22: 1.8	FY22: 61
		FY21: 2.5	FY21: 2.0	FY21: 61
Energy	FFI	FY23: 0.5	FY23: 0.0	FY23: 2.0
		FY22: 1.4	FY22: 0.7	FY22: 1.4
	WAE	FY23: 0.0	FY23: 2.0	FY23: -

Frequency rates provided include all employees and contractors working for Fortescue and are calculated based on one million hours worked. The ISFR captures days lost and days restricted from completing full duties at work.

The Fortescue Metals TRIFR remained steady at 1.8 in FY23. We continue to work to improve this result benchmarking ourselves against the ICMM lowest quartile industry peers. The FFI TRIFR for FY23 was 0.0.

As TRIFR is a lagging indicator, it is not the best representation of safety performance. In FY24, we will trial a leading indicator metric, the Leading Safety Index (LSI), which measures the presence of safety in our operations, with the intent to apply LSI as a safety metric in FY25.

There were no workplace safety fines issued to Fortescue at any of our operations in FY23. In February 2023, WorkSafe WA issued prosecution notices against Fortescue comprising 34 charges alleging that Fortescue, without reasonable excuse, failed to comply with Notices issued by the Department of Mines Industry Regulation and Safety for the production of information. We had not produced the information requested in the Notices because we wanted clarification from the Department about the legal basis of the Notices and were concerned about the implications of acting without having those concerns addressed. Fortescue had been engaging, and was continuing to engage, with the Department about its concerns at the time the Department commenced the prosecution. We subsequently provided relevant documents to WorkSafe, on a voluntary basis, with the names of our personnel redacted. Fortescue and WorkSafe are exploring the possibility of entering into an enforceable undertaking under work health and safety legislation as an alternative to prosecution. There were no other prosecutions relating to workplace safety in FY23.

CASE STUDY

WORKPLACE DUST EXPOSURE MONITOR RESEARCH PROJECT

Fortescue is demonstrating industry leading practice in the area of health and hygiene management by facilitating a PhD research project through Edith Cowan University. The project focuses on evaluating advanced personal dust samplers, designed to detect elevated levels of respirable dust and silica in the workplace at an early stage. This innovative technology enables swift intervention with additional controls.

Elevated levels of respirable dust and silica are known to contribute to a number of respiratory diseases including silicosis and lung cancer. Existing technologies face several limitations in delivering accurate and timely measurements of respirable dust and silica in work environments. Current measurement practices are challenging to implement and involve laboratory analysis, resulting in delayed results. This study validates new wearable dust sensors that directly measure dust levels. This provides real-time alerts to wearers regarding high dust levels that require additional controls, such as respiratory protection.

To facilitate testing and data collection, four Fortescue sites (Solomon, Eliwana, Christmas Creek, and Cloudbreak) have hosted the research equipment. Preliminary results have supported the decision to implement wearable sensors at our operating sites, including Iron Bridge and Port, from FY24, to further protect our Fortescue family members from occupational hazards and illnesses.

OUR FORTESCUE FAMILY

Fortescue is committed to providing a safe and inclusive workplace that attracts, rewards, develops and retains motivated, high performing team members

As of 30 June 2023, we employed 13,745 people, including 1,949 people working for Fortescue Energy. Of our employees, 11,226 worked in permanent full time roles, 312 worked in permanent part time roles, 464 worked in fixed term full time roles, 33 worked in fixed term part time roles, 44 worked on a casual basis and 1,666 people worked under labour hire contracts.

We employ 12,586 people based in Australia with the remainder working overseas in more than 30 countries, including in the United Kingdom, Argentina, USA and China. Within FFI, 20 per cent of employees are based overseas.

We respect freedom of association, including the right to representation by independent unions and collective bargaining or enterprise agreements. In Australia, 43 per cent of our employees are covered by enterprise agreements. The annualised voluntary turnover in FY23 was 9.5 per cent.

We respect the right to a fair wage and work towards the commitment that all employees are treated fairly and without discrimination, including on the basis of age, race, gender, political or religious belief, culture, family commitments, physical or mental ability, marital status or sexual orientation.

Engagement

We are renowned for our unique and differentiated culture and recognise that employee engagement is integral to building and maintaining this. We encourage and measure engagement with team members through a number of channels, including forums, surveys and workshops.

As a Values-based company, we are committed to fostering a positive work culture and celebrating diversity and inclusiveness across the global Fortescue family. We are always seeking to better understand the views of our workforce to help inform improvement initiatives and create a positive, productive and rewarding work environment for all. Our People Experience Survey provides a comprehensive insight to the direct views of the Fortescue family across Fortescue Metals and Fortescue Energy.

The FY23 People Experience Survey (previously named the Safety Excellence and Culture Survey) was released in May 2023 and was completed by 14,761 of our 16,091 eligible employees and contractors, achieving a response rate of 92 per cent overall.

We use enhanced analytics to evaluate the survey results, identify trends and ensure continual improvement. Our highest scoring questions share themes of safety and psychological safety, signalling positively when it comes to looking out for our teammates and valuing safety.

- **Respect** one of our highest scoring categories with 90 per cent feeling that they are treated with respect at work.
- **Engagement** 81 per cent of responses were favourable (8 per cent above the Australian benchmark)
- **Inclusion** 79 per cent of responses were favourable (consistent with the Australian benchmark)
- **Experience versus Expectations** 44 per cent of respondents feel that their experience meets their expectations, which is consistent with the Australian benchmark. 44 per cent of respondents feel their experience either exceeds or greatly exceeds their expectations.

Our FY23 employee Net Promoter Score (eNPS) of 21.8 indicates a positive sentiment from respondents recommending Fortescue as a place to work. Our eNPS has decreased since FY22. Fortescue has experienced some change over the past year, and our work to streamline our business during FY23, together with our acquisition of Fortescue WAE, are likely to have contributed to the reduction in eNPS this year.

Our survey results have highlighted several areas of focus, including building demonstrable trust with the business, developing clear career development pathways, enablers having more meaningful performance conversations, and providing regular feedback and managing change and communications in a proactive manner.

Recognising individuals

Northern Spirits

Our recognition program, Northern Spirits, celebrates and rewards team members (employees, contractors and labour hire) who strive to build an even stronger culture.

There are five Northern Spirits categories that reflect those qualities most valuable to building our culture. We use these categories to recognise Fortescue family members who have made a special contribution to the business, over and above normal expectations.

Northern Spirits originated as a symbol of triumph of spirit over adversity following the tragedy that emerged from Cyclone George in 2007. In FY23, there were 18 winners. Since the program's inception in 2015, 193 team members have been recognised.

Award recipients attend a breakfast event with the Leadership team, receive a Northern Spirits statue engraved with their name and award category, receive recognition at our company wide weekly meeting, and attend presentations from senior team members about the history and future of the business.

Legends tenure recognition

We also recognise those who have contributed to our success by celebrating our 5, 10, 15 and 20 year Legends with events held in Perth and Port Hedland. In FY23, we celebrated 1,065 Legends, including four members of the Fortescue family who have been with us since 2003, marking a 20-year commitment to our Company.

Development opportunities

Our dedicated Learning and Organisational Effectiveness teams provide employees and contractors with a range of educational and professional development opportunities. Individual development plans are developed by team members in consultation with their direct leaders as part of the biannual performance review process.

In FY23, we held 12 Empower programs, which are designed to support high performing team members develop their career pathways. The Empower program is a high-energy group coaching and mentoring program, providing access to the latest tools and techniques to support:

- sustainable self-motivation
- high performance habits
- boosting confidence
- self-awareness – strengths, values and personal purpose
- effective networking and career support
- career, life and health balance.

Our leaders are provided with appropriate training to allow them to excel and support their team. Our leadership pathway comprises three components:

- **Values Leadership Program** – Our introductory one day training program was refreshed and provided new and emerging leaders with the skills and tools to lead by our Values. In FY23, 390 team members completed this training.
- **Time to Lead** – A new five day program established in December 2022, consisting of interactive modules to fast-track leadership development. In FY23, 150 leaders participated in the program.

- **Senior Leaders Program** – Rolled out in FY22, this two year program for selected GM and Manager level leaders continues to run through FY23. The 20 participants are supported through tertiary and experiential learning, coaching and think tanks.

Our apprenticeship program is an award winning program which provides participants with a pathway to full time employment through an apprenticeship. It includes a four-year apprenticeship contract, with specialist training conducted at our accredited Trade Training Centre located at Cloudbreak. This is combined with practical experience at various Fortescue sites. In alignment with our diversity objectives, our apprenticeship program provides development opportunities to our female and First Nations Australian employees.

In FY23, the apprenticeship program had 213 participants with 33 of those participants successfully gaining permanent employment with Fortescue. The program is supported by our contracting partners North Regional TAFE, South Metropolitan TAFE, Australian Skills Group, Apprenticeship Support Australia and the Chamber of Commerce and Industry.

Our traineeship program provides participants with a pathway to full time employment through a traineeship. It includes a one to three year traineeship contract, with specialist training conducted through one of our partnered registered training organisations, combined with practical experience at various Fortescue sites. In alignment with our diversity objectives, our apprenticeship program provides development opportunities to our female and First Nations Australian employees.

In FY23, the traineeship program had 200 participants with 61 of those participants successfully gaining permanent employment with Fortescue. The program is supported by our contracting partners LabTech Training Group, North Metropolitan TAFE, Railtrain, Apprenticeship Support Australia and the Chamber of Commerce and Industry.

In FY22, we commenced a succession planning process to identify development and recruitment initiatives for future leaders and create a pipeline of diverse successors. Phase one was completed in FY22, focusing on succession planning for Superintendent and above leadership roles. Phase two of our succession planning approach was rolled out in FY23, focusing on succession planning for Supervisor level and below roles within the following categories:

- First Nations Australian team members who are not already participating in development programs including VTEC, apprenticeships and traineeships.
- Females in Supervisor or Lead roles
- Emerging future female leaders.

In FY23, we built and implemented the Succession and Career development module in SuccessFactors, which will be rolled out to the business in FY24 enabling more functionality for talent management, succession planning, mentoring, and career development.

Measuring effectiveness

We measure the success and outcomes of our various training and leadership programs using a combination of the following:

- **Feedback** – Conducting surveys following the delivery of training to assess whether learning outcomes have been met.
- **Learning** – Undertaking an annual assessment to better understand learning objectives and outcomes for employees.
- **Performance monitoring** – Reviewing how employees apply their learnings.
- **Results** – Measuring business outcomes by evaluating employee retention, productivity and morale.

The results of these assessments are used to improve and redesign training programs where required.

One hundred per cent of Fortescue employees have participated in training. During FY23, an average of 25 hours of training was provided per employee across Fortescue Metals and FFI. At Fortescue WAE, we commenced record keeping partway through FY23 for formal training. Since October 2022, all 185 new starters have undergone induction training at an average of four hours per person.

CASE STUDY

SHADOW SUPERVISOR PILOT PROGRAM

Our Chichester Water Management leadership team has developed a six-month leadership secondment titled the Shadow Supervisor Pilot Program as an extension of our existing leadership programs. The program helps emerging leaders to:

- Bridge the gap between a team member's completion of an existing leadership program and application for an open/available leadership position at Fortescue.
- Continue leadership development within the workplace – provide opportunities to demonstrate leadership theory in practice.
- Empower preparedness for when an opportunity arises.
- Focus on developing diverse team members by creating opportunities through education, training and on the job experience.

The success of the program saw the team rewarded with a Northern Spirits Award.

DIVERSITY, INCLUSION AND EQUITY

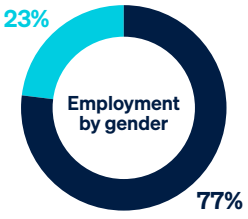
We are working to provide a workplace where everyone feels safe to be themselves and where they are acknowledged and celebrated for their strengths as an individual. True diversity means that we are stronger together and we can drive better and more sustainable outcomes.

DIVERSITY
Having a seat at the table

EQUITY
Having a fair opportunity to get to the table

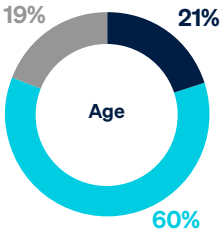
INCLUSION
Having a voice at the table

DIVERSITY METRICS

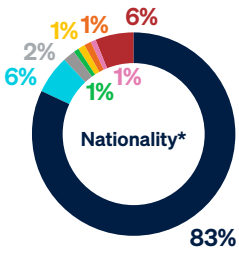


- Male: 10,632
- Female: 3,113

- First Nations Australian employees in Australia: 1,288
- Other employees in Australia: 11,298



- ≤ 30: 2,850
- 31-50: 8,270
- ≥ 51: 2,625



- Australian: 10,870
- New Zealander: 820
- British: 258
- Argentinian: 143
- Indian: 100
- Chinese: 88
- American: 71
- Other: 786

*Fortescue Metals and FFI

We are committed to diversity and inclusion in all its forms, and commit to a year on year increase across our measurable categories of diversity representation. Our Board has ultimate responsibility for diversity and inclusion matters through the Remuneration and People Committee.

The Fortescue Family Diversity Plan embodies our commitment to a workforce that reflects the communities in which we live, including the following key categories:

- females
- First Nations Australian people
- diversity of age
- LGBTQIA+
- cultural backgrounds
- differing abilities.

We made progress against the diversity, inclusion and equity actions that we identified in FY22.

FY22 Actions	FY23 Progress
Reviewing our policies and processes for inclusive approaches and language	Ongoing process aligned with scheduled document revision timeframes
Using data from online exit surveys to develop retention strategies	Launched Fortescue's Exit Survey. Themes from survey responses have been used to target and develop our retention strategy
Reviewing language on recruitment advertisements to encourage diverse applicants	In FY23, we updated our job advertisement template to include a commitment to providing a safe culture that builds respect, fosters inclusiveness and values diversity in all its forms
Reviewing our paternity leave policy	In June 2023, our Parental Leave Policy was updated to provide up to 26 weeks of paid primary parental leave and two weeks of paid secondary parental leave
Building diversity through the development of internal talent pools, succession planning and improved recruitment planning	This year 28 First Nations emerging leaders graduated from our internal LEAP program
Rolling out regular, ongoing diversity and inclusion discussion sessions	In FY23, we rolled out a number of diversity inclusion and belonging lunch and learn sessions including, 'Fostering belonging in the workplace', 'Neuroscience of inclusion and belonging' as well as a number of other sessions organised by our employee working groups
Sharing diversity and inclusion success stories and incorporating inclusive leadership modules into leadership programs	Team members from the neurodiversity and Fortitude communities share their stories via our internal channel Yammer, present as guest speakers in our leadership programs and through other communication channels to align with our diversity days of celebration
Implementing an onboarding program that supports new starters	Fortescue's induction program places a strong emphasis on the importance of knowledge and actions that enable diversity to thrive through our Values

During FY23, we continued to implement the Plan, with an emphasis on supporting our employee working groups where Fortescue family members can share information and stories and raise awareness, including:

- Fortitude working group (our LGBTQIA+ working group)
- Neurodiversity working group
- Women in operational leadership working group.

FEMALE EMPLOYMENT AND DEVELOPMENT

OBJECTIVE: Increase the number of female employees to be reflective of general society

TARGET: Year on year increase in female employment

Female employment

FY23	23%
FY22	23%
FY21	21%

OBJECTIVE: Increase gender diversity in FFI

TARGET: Increase female employment in FFI >38 per cent

Female employment in FFI

FY23	34%
FY22	34%

OBJECTIVE: Provide opportunities for female employees to move into leadership positions

TARGET: Year on year increase in female employment in leadership roles

Females in leadership roles (Manager and above)

FY23	26%
FY22	24%
FY21	25%

Increasing our female employment rates remains a key priority for us. We employ 3,113 women, an increase from 2,659 in FY22 and 2,141 in FY21. Our female employment rate remained stable this year, with females holding 23 per cent of total positions, 26 per cent of leadership positions (Manager roles and above) and 30 per cent of senior leadership roles (General or Group Manager roles and above). We also focus on gender diversity at the team level to help build successful, high performing teams across our business.

Within Fortescue Energy, FFI currently has an overall female workforce of 34 per cent and Fortescue WAE has an overall female workforce of 19 per cent.

For the fourth consecutive year, Fortescue was listed in the Parity.org Best Companies for Women to Advance list.

We made progress against the female employment and development actions that we identified in FY22.

FY22 Actions	FY23 Progress
Strengthening flexible working arrangements	Our 2:2 roster has been a very successful roster option, allowing flexible work life balance options for our Fortescue family
Continued operation of the Fortescue Family Room	Our Fortescue Family Room has continued operating in FY23
Facilitating mentoring opportunities through Mentor Walks and our internal Rookies and Coaches mentoring program	Our Rookies and Coaches program was refreshed, including access through a new portal which has made it easier for mentees and mentors to connect with each other We continued to support Mentor Walks in FY23 which connects female team members with inspiring female CEOs, Directors, Executives and Founders providing a supportive space to build relationships, discuss career progression, work worries and experiences
Establishing Women in Mining groups across our locations who meet regularly to develop female support networks and discuss initiatives	Supporting Women in Fortescue Together is an informal group established to increase connectivity for women in Fortescue by providing information about professional development, learning and networking opportunities
Providing development opportunities through National Association of Women in Operations (NAWO) membership	We have continued to promote and provide opportunities to our Fortescue family through programs offered by NAWO. Our membership has been renewed for FY24
Providing speaking opportunities for females through our partnership with AusIMM	We have continued our partnership with AusIMM for FY24
Providing 16 weeks paid parental leave for primary carers, available to men and women	In June 2023, our Parental Leave Policy was updated to provide up to 26 weeks of paid primary parental leave and two weeks of paid secondary parental leave. These entitlements apply regardless of gender
Our ongoing commitment to gender pay equity.	Pay equity is assessed annually across various roles within our business. Additional information is provided in the section below

As at 30 June 2023, our flexible work arrangements were being utilised by 385 of our employees, both male and female. Females make up 56 per cent of our part time workforce.

Over 94 per cent of carers returned to work in FY23 following parental leave, and we maintained a high primary carers 12-month retention rate of 80 per cent for those who returned following leave in FY22. This year, nearly 4,000 bookings were made in our Fortescue Family Room in Perth.

We maintain our commitment to addressing gender equality and creating a safe workplace free from violence through our Workplace Accreditation by White Ribbon Australia. Our full time, part time and casual employees have access to up to 10 days of paid family and domestic violence (FDV) leave each year. This can be used where employees are personally experiencing FDV, supporting family members experiencing FDV, or where employees are using forms of abuse and seeking help to change their abusive behaviour or improve the safety of their family.

Female development opportunities

We provide a range of professional and personal development opportunities for our female staff to promote gender equity in our workplace. During FY23, 117 women participated in the Empower program, with a number of these programs being offered specifically for women.

In FY23, there were 66 female participants in our Apprenticeship program, representing 31 per cent of overall participants. Of the FY23 participants, five have successfully gained permanent employment with us during the year. Since inception in FY11, 122 females have participated in our Apprenticeship program, making up 24 per cent of overall participants. In FY23, there were 83 female participants in our Traineeship program, representing 41 per cent of overall participants. Of the FY23 participants, 34 have successfully gained permanent employment with us during the year. Since inception in FY22, 133 females have participated in our Traineeship program, making up 46 per cent of overall participants.

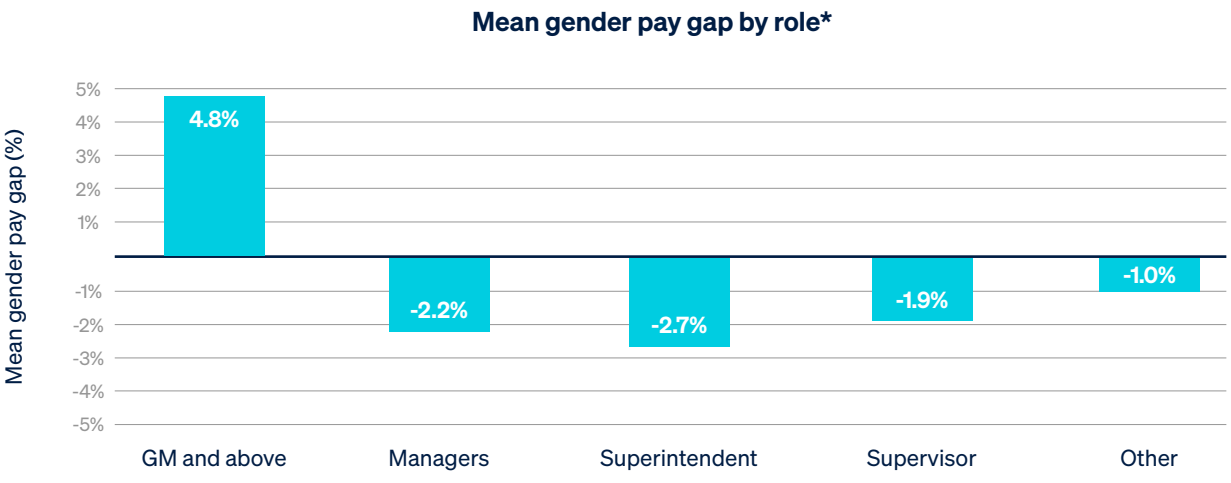
Our Senior Leaders Program, which was launched in FY22, had 30 per cent female participation in FY23.

Pay equity

We undertake an annual remuneration benchmarking assessment to ensure that remuneration is comparable with equivalent roles in the Australian mining industry and that equitable remuneration exists for like for like roles, independent of gender, race, age or culture. Where a discrepancy is identified, remuneration is adjusted.

The mean gender pay gap for Fortescue Metals employees is -1.2 per cent. Within Fortescue Energy, the mean gender pay gap for FFI employees is -1.4 per cent and for Fortescue WAE employees it is -29.0 per cent, with a median gender pay gap of -13.8 per cent. We acknowledge this is unacceptable. Since we acquired the company we have initiated gender pay equity reviews and appointed more women senior roles. We are focused on accelerating gender equity and pay equity at Fortescue WAE as a matter of urgency. It is noted that the Fortescue WAE mean gender pay gap is influenced by the relatively small number of employees and was based on the April 2022 gender pay gap data as reported under UK legislation, which was conducted when the Fortescue WAE CEO was a male. In June 2023, a female CEO was appointed to Fortescue WAE. The median gender pay gap provides a more realistic indication of gender pay gap within this section of our business.

Differences between male and female salaries at Fortescue are primarily driven by variation in the types of roles commonly held. Typically, there is a higher proportion of female employees in office-based roles and a higher proportion of male employees in technical and site-based roles. These employment areas differ significantly in remuneration. We undertake a gender pay equity review as part of the annual salary review process to ensure salaries are equitable on a role by role basis.



*Fortescue Metals and FFI

FIRST NATIONS AUSTRALIAN EMPLOYMENT AND DEVELOPMENT

We are proud to be one of Australia's largest employers of First Nations Australian people, directly employing 1,288 First Nations people, representing 10 per cent of our Australian workforce

OBJECTIVE: Increase the number of First Nations Australian employees to be reflective of general society

TARGET: Year on year increase in our First Nations Australian employment rate

First Nations Australian employment in Australian workforce

FY23	10%
FY22	10%
FY21	10%

OBJECTIVE: Increase the number of First Nations Australian employees to be reflective of general society

TARGET: Year on year increase in the First Nations Australian employment rate in Pilbara operations

First Nations Australian employment in Pilbara operations

FY23	16%
FY22	15%
FY21	14%

OBJECTIVE: Provide opportunities for First Nations Australian people to move into leadership positions

TARGET: Year on year increase in the First Nations Australian employment rate in leadership roles

First Nations Australian leadership roles

FY23	4%
FY22	4%
FY21	4%

Increasing First Nations Australian employment rates in our Australian workforce remains a key priority for us. In FY23, we employed 1,288 First Nations people, an increase from 1,113 in FY22. Within our Australian workforce, First Nations people hold 10 per cent of total positions, four per cent of leadership positions and 16 per cent of positions within our Pilbara operations.

Development opportunities for First Nations Australian people

Our VTEC program has been providing sustainable career pathways for First Nations people for 16 years. The program is a key part of our training and development strategy, and is built on the concept that, following the completion of training, participants are guaranteed employment.

During FY23, 105 graduates completed their training through VTEC. The recent cohort of graduates commenced employment in various roles at our Solomon, Eliwana and Chichester Hub, as well as our Hedland operations. Since its inception in 2006, the program has resulted in the successful employment of more than 1,400 First Nations people across our sites.

In FY23, there were 94 Aboriginal and Torres Strait Islander participants in our Apprenticeship program, representing 44 per cent of overall participants. Of the FY23 participants, 11 have successfully gained permanent employment with us during the year. Since inception in FY11, 289 Aboriginal and Torres Strait Islander have participated in our Apprenticeship program, making up 56 per cent of overall participants.

In FY23, there were 69 Aboriginal and Torres Strait Islander participants in our Traineeship program, representing 34 per cent of overall participants. Of the FY23 participants, 24 have successfully gained permanent employment with us during the year. Since inception in FY22, 101 Aboriginal and Torres Strait Islander people have participated in our Traineeship program, making up 35 per cent of overall participants.

First Nations leaders are critical to enabling a culture that supports and allows First Nations people to thrive. We provide a range of professional development opportunities for First Nations employees with leadership aspirations to realise their goals. A key component of this is our Leadership Empowerment for Aboriginal People (LEAP) program that provides our First Nations employees with a 12-month formal training program which includes offsite education, practical onsite development, internal mentoring, Fortescue Board exposure, First Nations leadership education and business leadership training.

In FY23, there were 20 Aboriginal and Torres Strait Islander participants in our LEAP program, including 12 Native Title partners and four females. Since inception in FY15, 110 First Nations Australians have participated in our LEAP program, including 68 Native Title partners and 34 females. In addition, 40 of our LEAP graduates have been promoted since completing the program with 30 currently holding a leadership role of supervisor or above.

Our First Nations Australian training and employment programs are complemented by initiatives designed to overcome the barriers faced by First Nations Australians in securing and maintaining work. We employ a full-time health coordinator and implement an Aboriginal Health Program that aims to improve the health of our First Nations Australian workforce. Key responsibilities of the health coordinator are to:

- support candidates to address health barriers
- conduct health screening
- implement VTEC's fitness program
- support trainees with health initiatives and fitness for work
- develop and deliver health and fitness training.

We strive to build a workplace that understands, supports and champions First Nations people through the following:

- compulsory cross-cultural awareness training for all employees
- ensuring leaders are provided with the skills and knowledge to support and lead First Nations employees
- recognising and rewarding employees who support First Nations employment and development
- celebrating significant First Nations cultural events throughout the year, including National Aboriginal and Islander Day Observance Committee (NAIDOC) Week.

Fortescue's CEO for a Day program provides aspiring First Nations leaders the opportunity to join the Executive team to experience how the business operates at the highest levels. Since the program began in 2015, there have been 27 participants, with more than 50 per cent being female and 63 per cent representing our Traditional Custodian groups.

In FY23, we developed the Nyambalibura Guma program, to educate our leaders around cultural safety. The program is scheduled to be rolled out during FY24.

Supporting our First Nations employees and their families

We strive to build a workplace that understands, supports and champions First Nations people

We are the only Pilbara-based mining company with flights between all mine sites and the major communities of Karratha, Port Hedland, Broome, Kununurra and Fitzroy Crossing. This allows our First Nations team members to remain on Country with their families while still accessing employment opportunities.

In FY23, all Pilbara-based employees were eligible to receive housing support and entitlements. Currently, 370 First Nations employees are accessing our owned and leased properties. To support our Pilbara-based First Nations employees, we invested approximately $14 million on housing support this year.

Diversity of age

Fortescue continues to provide opportunity pathways for prospective employees of all ages in several ways, including our Vacation and Graduate Program. In FY23, we welcomed 95 vacation and 65 graduate students to the Fortescue family. Our Graduate Program runs for up to two years with the aim of participants moving into permanent roles following the completion of the program. This year, 32 of our previous graduates gained permanent employment with Fortescue. Planning for our FY24 Vacation Program has commenced, with 100 placement projects approved. We have received over 1,000 applications and held nine days of assessments, including in regional Western Australia.

As part of our diversity calendar, we also acknowledge and celebrate International Day for Older Persons.

In our FY22 Sustainability Report, Fortescue introduced a target to *create a workplace that reflects the community in which we live through diversity of age*. While diversity of age remains a focus area as part of our diversity plan, it is no longer considered to be a material target for our business and is not presented as such in this report.

LGBTQIA+

Our internal working group, Fortitude, has formalised its structure by electing two co-chairs and creating four key pillars: People and Communities, Systems, Education and Leadership to drive the group initiatives of the group.

The group has also become a member of Pride in Diversity which provides support to our diversity and inclusion initiatives, and also participates in Pride in Resources, a group formed to promote advocacy, best practice and inclusion through sharing and meaningful collaboration within the resources sector. This membership has been renewed for FY24.

We support the Pride Professionals Mentoring Program as a scholarship sponsor, with five team members participating in the program in FY23 as well as an industry collaboration session with the global Caterpillar LGBTQIA+ group, LAMBDA.

Culturally diverse backgrounds

We employ team members in more than 30 countries, representing over 90 different nationalities. The expansion of Fortescue as a global entity and the acquisition of Fortescue WAE have resulted in a significant increase in the cultural diversity of our business.

In FY23, we released the second edition of 'A Taste of Fortescue', a cookbook featuring recipes that are representative of our broad cultural heritage. All proceeds from book sales were donated to our First Nations Australian education charity partner, MADALAH.

Important calendar dates recognising our cultural diversity include Chinese New Year, celebrated across the organisation, and Harmony Day, celebrated in March across our operations, recognising the part food plays in bringing us together.

Differing abilities

A working group was established in FY23, with a focus on education through days of celebration including the international day of people with a disability.

Neurodiversity

Our neurodiversity working group continues to provide support, education and awareness, and opportunities to further enhance the experience of our neurodivergent family. Education sessions were hosted during FY23. A neurodiversity section has been included in our leadership program, and an informal reverse mentoring program has been established. The group has also focused on workplace design and implemented focus pods across the Fortescue Centre, providing a quieter space to meet or work.

Eliminating bullying and harassment

We are committed to providing a workplace that is free from unlawful discrimination, bullying and harassment. Our Code of Conduct and Integrity, together with our Equal Opportunity and Appropriate Behaviour Policy and Workplace Resolutions Statement (both of which were updated and re-released in FY23) outline our expectations of employees, contractors and suppliers who work within our business. These expectations are explained through inductions, training and leadership development programs. Our leadership development programs also focus on inclusive behaviour, Values-based recruitment practices and providing a safe work environment.

We foster a culture of speaking up. All team members are encouraged to raise any issue with their leader or a member of our Fortescue People team. We also provide additional avenues to raise issues anonymously and confidentially, including our Speak Up and Whistleblower Hotline services.

Building safe and respectful workplaces

During FY23, Fortescue continued to collaborate with Rio Tinto, BHP, the Mining and Automotive Skills Alliance and Griffith University to create the Building Safe and Respectful Workplaces program.

The program is an important training product to increase social awareness and address issues in the mining industry in relation to safety and respect. It is geared towards new entrants to the mining and resources sector joining through various educational pathways.

In FY23, a series of one day and two-day pilot programs were run with attendance from Fortescue, Rio Tinto and BHP apprentices, trainees and senior leaders. Feedback from industry and the pilot programs determined the two-day program duration was the most appropriate for the content. Expressions of interest are currently advertised to find suitably qualified personnel to facilitate the program going forward.

Workplace Integrity Review

Fortescue has a strong Values-based culture, and we remain committed to ensuring we are providing a safe and inclusive work environment for all our team members. Inappropriate behaviour of any form has no place at Fortescue, in our industries, in the workplace or in society.

Fortescue's Workplace Integrity Review launched in June 2021. It allows us to understand directly from our Fortescue family what makes our team members feel safe or unsafe while working at a Fortescue workplace and/or living at a Fortescue village. It gives us insight into any experiences of inappropriate behaviour and provides guidance on where we can continue to make improvements.

During FY23, our Workplace Integrity Review developed and delivered initiatives in four broad areas:

1. **Safety and accommodation** – including enhancing **security presence** in our accommodation villages, developing a bespoke **psychosocial risk assessment** for Fortescue's mine site village facilities and accommodation, and developing psychosocial **risk factor palm cards** available to leaders in the workplace.
2. **Leadership and training** – including continuing our appropriate behaviour **toolbox series** with rolling out "Raising Concerns" and "Discussions about Appropriate Behaviour" training, providing specialised training to Fortescue People team members about **workplace investigations and trauma informed approaches**, and providing **psychosocial safety** training to operational leaders.
3. **Policy review and enhancement** – including launching a new **workplace resolutions framework** and **Equal Opportunity and Appropriate Behaviour Policy**, and enhancing our existing **Code of Conduct and Integrity**, to be released in 2023.
4. **Industry collaboration** – including regular touchpoints with our **key contractors** to promote effective partnerships when addressing workplace behaviour matters, participating in **industry workshops** facilitated by the CME and the AMEC addressing the Enough is Enough report recommendations, promoting to our workforce the **West Australian Government's mental awareness, respect and safety (MARS) industry survey**, and supporting the Department of Mines and Petroleum's (DMIRS) **mining industry summit: driving respect** with key members from our Fortescue People, Health and Safety and Chaplaincy teams attending the event.

We also continued to engage with and seek ongoing feedback from our team members to further enhance the safety, culture and experience of working at Fortescue. In FY23, we heard from our workforce in a range of ways, including:

- Our annual company wide survey, which included questions specifically in relation to raising concerns and experiences of inappropriate behaviour.
- Focus group discussions across our operational and office based locations.
- A contractor forum held with key labour suppliers where our Workplace Integrity Review and future initiatives were discussed and workshopped.

Parliamentary Inquiry and Enough is Enough Report

In June 2022, the WA Parliament Community Development and Justice Standing Committee released its 'Enough is Enough' report as the culmination of its Inquiry into sexual harassment against women in the FIFO mining industry. Fortescue fully participated in the Inquiry process, and supported the Enough is Enough report and its findings and recommendations.

Fortescue is well progressed in addressing the recommendations contained in the Enough is Enough report that were directed towards industry participants.

Individual company initiatives

Dismiss and take other **appropriate legal action** against workers who have engaged in **sexual harassment**
Have moderate **alcohol drink limits**
Have greater **female workforce participation**, especially at a leadership level
Have different **incident reporting methods** in place
Address the **risks** of using **labour hire** and **contractor workers**
Have appropriate, suitably delivered and **mandatory training** for all workers, plus **specialist training** for people who respond to incidents

We are working with other industry participants in relation to the completion of those recommendations that were focused on the industry as a whole, and have completed or are working towards completion of the remaining industry recommendations.

We are proud of our progress on these important matters. However, we acknowledge that we can always do more, and we continue to monitor and enhance our ongoing initiatives in these areas through our Workplace Integrity Review.

Speaking up

In line with our zero-tolerance approach to inappropriate behaviour, we always encourage and empower our team members to call out any behaviour which may not align with our Values, and workplace policies and procedures. There are many ways our employees can raise concerns about inappropriate behaviour, including:

- speaking with any Fortescue leader
- speaking to a member of the Fortescue People team
- contacting our internal Speak Up hotline or our external Whistleblower hotline.

All matters are treated with the utmost confidentiality, and everyone is supported throughout this process, including with anonymous reporting options. Our dedicated Fortescue People team are trained to deal with complaints of all types of inappropriate behaviour professionally and respectfully, with a victim-centric trauma-informed approach.

Additionally, our Fortescue Chaplaincy services and external EAP are always available to provide support to all team members.

In FY23, 34 psychosocial matters were identified, reviewed and reported to the appropriate safety regulator (in Western Australia) by Fortescue. This includes matters concerning discrimination, harassment, bullying and intimidation. Fortescue treats all matters seriously.

Looking forward

Our Workplace Integrity Review is ongoing. We continue to gather feedback from our team members about our culture and our workplaces, and to hear directly from them about what enhancements could be made to further ensure Fortescue remains a safe and inclusive place to work.

In FY24, we will continue to work to develop and complete new initiatives based on the feedback we receive.

We are committed to ensuring that everyone who works at a Fortescue workplace experiences our unique culture and sees firsthand why Fortescue is a great place to work.

RESPECTING HUMAN RIGHTS

We are committed to respecting and promoting the human rights of all people

Human rights

We are committed to respecting and supporting the human rights of all people, including our employees, the communities in which we operate, those within our supply chains and those who may be impacted by our activities. Our approach to sustainability is founded on a respect for human rights.

Our Human Rights Policy outlines our business conduct, which strives to be consistent with the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We are also a signatory to the UNGC.

Our Code of Conduct and Integrity and Human Rights Policy are the foundation documents for human rights protection across Fortescue. In FY23, we updated our commitments in our Human Rights Policy and the strategy by which we will achieve our commitment to human rights. This includes, for example, improving our alignment with IFC Performance Standards, setting out our commitment to engaging in a transparent, inclusive and continuous manner with stakeholders ensuring they are given sufficient time to participate in decision making about our projects and to enhance our commitment to workers to respect not only their right to a fair wage, but also a living wage.

Our Human Rights Policy is applicable to all Fortescue employees, directors, suppliers, contractors, consultants and other business partners. Our CEOs are responsible for ensuring this policy is implemented.

We respect human rights through a range of mechanisms, including:

- Actively communicating our approach and expectations to all stakeholders, including suppliers.
- Ensuring that all communities where we operate, including First Nations people, are free to make decisions, are given sufficient time to participate in key decisions and are fully informed about any projects and their potential impacts and benefits.
- Continuing our efforts to improve our security performance by implementing the Voluntary Principles as an engaged member of the Voluntary Principles for Business and Human Rights and ensuring relevant employees and contractors are trained in accordance with these principles.
- Engaging meaningfully with stakeholders to respectfully manage and minimise potential impacts and work to create sustainable and thriving communities and deliver social and economic benefits.
- Undertaking ongoing due diligence to identify, prevent and mitigate the adverse impacts of our activities, capturing outputs in our corporate risk register.
- Participating in engagement sessions related to human rights policy and regulatory development.

Human rights saliency

We identify and assess potential human rights risks via our company wide Risk Management Framework. This framework ensures the consideration of potential human rights risks by senior management and the Board. ARMSC is responsible for the oversight of risk management (including human rights risks) on behalf of the Board.

We have undertaken a human rights saliency assessment which identifies the areas where we have the greatest potential to impact the human rights of people across our value chain: supply chain, operations and downstream. We analysed the scale, scope and ability to remediate the actual or potential adverse human rights impacts to determine the severity of the risk.

Human rights risks are captured in our corporate risk register, with mitigation and action items assigned under the framework of salient human rights issues. The assessment outlined potential risks and impacts to right holders from our activities in the areas listed below.

Land rights	Rights of our community members in relation to land acquisition, access and use, including resettlement.
Community impacts	Rights of our community members that may be impacted by activities along the value chain, including migration, access to services, culture and cultural heritage and livelihoods.
First Nations peoples' rights	Rights of First Nations people that may be impacted by our activities, including consent, self-determination, culture and cultural heritage and impacts on their traditionally owned lands, waters and resources.
Security and conflict	Rights of our community members that may be impacted by security activities, as well as broader security and conflict implications in country/region of operation such as conflict or government use of force.
Environmental impacts	Rights of community members that may experience environmental impacts directly as a result of our operations or across the value chain, including rights to water and sanitation, health and an adequate standard of living.
Diversity and non-discrimination	Rights of our employees/contractors and workers in the value chain that may be impacted by discrimination on the basis of gender, race, age, religion, sexual orientation, disability or other protected status.
Labour rights	Rights of our employees/contractors and workers in the value chain that may be impacted in relation to freedom from exploitation, including modern slavery, working hours and remuneration, and freedom of association and collective bargaining.
Workplace health and safety	Rights of our employees/contractors and workers in the value chain to a safe and healthy working environment that may be impacted by our operations.

Human rights management

To ensure continuous improvement we work to strengthen and refine our management of human rights. We are continuing our work in key focus areas:

- Considering human rights in our investments and acquisitions.
- Conducting human rights due diligence for sourcing and purchasing activities and promoting our expectations via engagements and contract clauses.
- Developing a human rights screening tool to help teams identify possible human rights impacts related to business activities and to determine mitigation strategies.
- Undertaking additional human rights due diligence via specialist third party sources and our GMC intelligence analysts.
- Using a third party Environment Social and Governance Monitor to analyse human rights risks at a country level.
- Implementing a Human Rights Impact Assessment tool that indicates when an HRIA should be conducted.
- Implementing the Voluntary Principles on Security and Human Rights throughout our business.
- Actively participating in and contributing to the work of the Human Rights Resource Energy and Collaborative, an industry self-led group focused on sharing knowledge and advancing human rights in resources and energy sectors.

Our Sustainability team includes a human rights specialist that provides guidance and advice to the business on human rights related matters, including due diligence and the management of grievances.

Training

Training on human rights and modern slavery is mandatory for all employees. During FY23, we continued the rollout of the online human rights training, *An Introduction to Human Rights and Modern Slavery*. An updated, advanced training module on Human Rights and Modern Slavery continues to be delivered, face to face, to individuals working in higher risk areas. Work has commenced to translate our online training modules into four languages to support our international operations: French, Spanish, Portuguese and Russian (for our personnel in Kazakhstan).

In FY23, we delivered face to face human rights and modern slavery training to more than 875 employees and online training to more than 8,474 employees.

In addition to our mandatory human rights training, informal lunch and learn seminars and knowledge seminars are delivered by our sustainability team, industry leaders and NGOs on a range of human rights related topics including, for example, the intersection of environment and human rights, and Walk Free's Global Slavery Estimates. The purpose of these sessions is to keep our team members up to date on trends and advancements relevant to human rights outside of their mandatory training cycles. These informal sessions will continue in FY24.

In FY23, in person human rights training was delivered to Fortescue WAE by our sustainability team. The training included:

- a dedicated Introduction to Business and Human Rights lunch and learn session open to all personnel
- separate specialised training for Fortescue WAE's Human Resources and Talent team focussing on specific salient risks for this team, attended by 11 employees
- A half day sustainability workshop with Fortescue WAE's Procurement team with focus sessions on Human Rights and Modern Slavery, attended by 39 employees.

Our security personnel are required to undertake Human Rights and Modern Slavery training and in FY23, 19 security personnel attended this training, with a total of 29 (71 per cent) of our Corporate Intelligence and Protection team completing training to date. A specialised human rights and security training module is currently in development and will be delivered in FY24.

Grievances

Our grievance procedure is aligned with the United Nation's Guiding Principles on Business and Human Rights. The procedure requires that a locally appropriate grievance mechanism that is easy to access and is respectful of the local culture is developed and maintained in each country where we undertake activities that may impact on human rights. Where possible, our Communities teams will work with local stakeholders to design and implement the local mechanism.

Any complaint made is taken seriously, recorded, investigated and reported in accordance with our Grievance Procedure. We also provide access to remedy via our Grievance Procedure. Implementation of this corporate procedure is ongoing.

Voluntary Principles on Security and Human Rights

Last year Fortescue joined the Voluntary Principles on Security and Human Rights (VPI) as an engaged member.

Th VPI is a multi-stakeholder group comprising companies, governments, and NGOs committed to working together to address security related human rights issues in the extractives, energy and related industries. By bringing together these three stakeholders, members are able to share learnings and common challenges, and develop joint approaches to address human rights challenges in security.

The Voluntary Principles guide companies on how they can conduct their security operations in a way that respects human rights. Fortescue is committed to aligning our operations to these Voluntary Principles.

In March this year, Fortescue delivered its verification presentation to the VPI secretariat and members on how we are working to implement the Voluntary Principles in our operations. This presentation included an overview of the company, our internal management systems, protocols, procedures, policies and actions for managing security and implementation of the Voluntary Principles. As a result of the verification presentation, Fortescue's progress will be assessed, and an implementation plan will be provided by the secretariat with guidance on how we can better align to the Voluntary Principles.

In May, Fortescue also attended our second VPI Annual Plenary Meeting in London, UK, which included training on the implementation of the Principles, seminars in trending topics and networking with corporate, government and non-government organisation (NGO) members.

As part of our efforts to align with the Voluntary Principles, Fortescue partnered with the Australian Red Cross on their Security, Armed Conflict and International Humanitarian Law online training module for private security providers to translate the module to four languages: French; Spanish; Portuguese and Russian. At Fortescue, this training will be rolled out to our security teams and relevant stakeholders across the business.

The Australian Red Cross, Fortescue and Corrs Chambers Westgarth partnered to host a launch event in June 2023. This event included a panel discussion of emerging trends of security and armed conflict for the private sector; it highlighted some of the implications for provide security providers and why Fortescue is implementing this training in our business.

Modern slavery

Fortescue opposes all forms of slavery in our operations and those of our suppliers.

Our processes to address modern slavery involve identifying, assessing and mitigating human rights impacts and providing access to remedy through effective grievance mechanisms. We work in collaboration with our suppliers to eradicate modern slavery from our supply chain and aim to continually strengthen our actions.

During FY23, we undertook the following key actions:

- continued to refine and update our modern slavery work program
- reviewed and updated our Modern Slavery Procurement Procedure
- updated our Self-Assessment Questionnaire and developed a new Self-Assessment Questionnaire specifically for labour hire and recruitment vendors
- continued the review of our standard terms and condition to reference human rights and include reasonable assistance clauses
- collaborated with the HRREC group to finalise a social and labour audit Frequently Asked Questions document for suppliers
- updated our human rights and labour site checklist
- developed a human rights and modern slavery information pack for our suppliers
- piloted scientific traceability testing for one of our high risk categories.

We believe that a collaborative approach is imperative to eradicating modern slavery, and in FY23 we continued our work with our suppliers and the following groups:

- Global Compact Network Australia
- Human Rights in Resource and Energy Collaborative – modern slavery workstream
- Walk Free Foundation.

During FY23, we did not identify any confirmed instances of modern slavery in our supply chain. However, we did identify one indicator of modern slavery in our supply chain through our trial of a third party due diligence tool. We are currently working collaboratively with our relevant supplier to investigate the indicator and will develop appropriate corrective action and remediation plans to address any findings.

As part of our annual risk assessment we have identified eight high risk supply chain categories: electronic and electrical equipment (including solar panels); offshore fabrication; rail rolling stock; rubber products; cleaning, catering and security services; construction; labour hire and short term contract workers; and shipping. Due diligence will continue to be critical and commensurate with the risk in these areas.

We promote our Whistleblower Hotline with suppliers. In FY23, we had two whistleblower disclosures via our hotline pertaining to modern slavery concerns. These concerns are being investigated by our Sustainability team.

To date, we have published five Modern Slavery Statements. The Board-approved statements outline the actions we have taken to assess and address modern slavery risks in our business and supply chain.

Our FY23 Modern Slavery Statement will be published in December 2023 and will be available on our website at **www.fortescue.com**

RESPECTING HERITAGE AND CULTURE

We are committed to building and maintaining strong and respectful relationships with the communities upon whose traditional lands our activities take place

OBJECTIVE: Work together with Indigenous people to manage First Nations heritage responsibly and sustainably

TARGET: Annually, ensure no impact to First Nations heritage without consultation with and consent from First Nations people

Significant heritage incidents

FY23	0
FY22	0
FY21	1

We work in partnership with the First Nations people of the land where our projects are located to ensure sites of cultural significance are identified and managed.

We respect and acknowledge the UN Declaration on the Rights of Indigenous People and the human rights principles it upholds, including the principle of FPIC. In alignment with the principles of the ICMM and the Green Hydrogen Standard, we work to obtain the consent of First Nations people for activities located on their traditional lands, with consent processes focusing on reaching agreement on the basis upon which a project should proceed, as well as ensuring access to appropriate grievance and dispute resolution processes.

Fortescue has been focused on practical initiatives that drive economic and employment opportunities for First Nations people. We sustainably and strategically take meaningful action to advance reconciliation, through the following actions:

- established governance framework and dedicated teams focusing on First Nations peoples
- established training and employment programs for First Nations Australians
- our Billion Opportunities program and the Buriya Capital Funding program
- established stakeholder engagement processes
- established native title agreements with seven Pilbara native title holders
- ongoing development of co-management models for our Pilbara operations.

We have established targets relating to First Nations Australians, and we transparently report our progress against these targets within this Sustainability Report. At Fortescue, as we are well established in our relationships with our Native Title partners and the broader First Nations community, we have chosen not to progress a formal Reconciliation Action Plan with Reconciliation Australia at this time.

At Fortescue, we acknowledge and respect the Australian Government's commitment to establishing a First Nations Voice. Importantly, this will be a matter for the Australian people to decide at a referendum. We support all practical initiatives that will improve the lives of First Nations Australians and end the disparity that currently exists between Indigenous and non-Indigenous Australians.

Pilbara operations

Preserving First Nations heritage

We have strong relationships with the First Nations people of the Pilbara region of Western Australia, which are built on open and transparent engagement, mutual respect and the development of comprehensive native title agreements.

We have dedicated Heritage, Native Title and Community teams that work hand in hand with First Nations people to ensure First Nations heritage is managed sustainably and responsibly.

Native title partners

Fortescue is party to seven major native title agreements with native title groups in the Pilbara region, three of which are underpinned by registered Indigenous Land Use Agreements (ILUA):

- Kariyarra (ILUA and Land Access Agreement)
- Palyku (ILUA and Land Access Agreement)
- Nyiyaparli (ILUA and Land Access Agreement)
- Nyamal (Project Area Agreement)
- Martu Idja Banyjima (Land Access Agreement)
- Eastern Guruma (Land Access Agreement)
- Puutu Kunti Kurrama and Pinikura (PKKP) (Land Access Agreement).

We are committed to working closely with our native title partner groups to update existing agreements and to negotiate new ILUAs.

Our native title agreements include principles and detailed processes for the identification, management and protection of significant First Nations cultural heritage. They also provide significant and sustainable outcomes for the relevant communities through a range of benefits, including financial compensation, vocational training and employment opportunities, and commercial contracting opportunities.

Identification of First Nations heritage sites

To determine the location, nature and significance of First Nations heritage sites within an area, we engage with First Nations people and heritage professionals to conduct archaeological and ethnographic heritage surveys, in accordance with our land access or heritage agreements.

During FY23, we undertook 535 days of heritage surveys in the Pilbara region, archaeologically surveying 13,342 hectares and ethnographically surveying 19,974 hectares of land. The outcomes of these surveys are discussed with the relevant native title party via Heritage Sub-Committee meetings or similar forums which provide an opportunity to discuss learnings and improvements.

To date, we have archaeologically heritage surveyed over 312,705 hectares, and ethnographically heritage surveyed over 2,826,507 hectares of land. Through our seven major native title agreements and many dozens of First Nations heritage agreements, we have worked closely and transparently to manage over 6,500 heritage places.

Management and monitoring

We implement our Management and Protection of Aboriginal Cultural Heritage Guidelines to ensure we meet our obligations and commitments.

We maintain a register of cultural heritage sites and record site details in a highly sophisticated Geospatial Information System. We work in partnership with First Nations people to protect and manage places with special significance by applying the Heritage Restriction Zones status to a site and restricting access.

Sites determined to require on ground protection are demarked with heritage fencing. Where a site may require additional protection, a buffer may be applied to reduce the risk of impact from any future works.

The Heritage team includes a specialised Compliance team which monitors compliance with our processes, requirements of any agreements as well as any legislative or approvals requirements. Where required, the Heritage team engages heritage monitors from the relevant native title group. Action is undertaken to address any impacts, and processes are amended where required for continuous improvement.

Promoting First Nations culture

A critical component of our ongoing commitment to preserving First Nations heritage and promoting First Nations culture is cross-cultural awareness training.

We continued to deliver cross-cultural awareness training during FY23, with 2,539 employees and contractors undertaking the mandatory training this year. Heritage inductions are provided to those who may encounter heritage sites through their work.

Yindjibarndi people – Solomon hub

At Fortescue, we care deeply about all First Nations people and have formed strong relationships built on open and transparent engagement, mutual respect and the development of comprehensive native title agreements.

Following on from a Federal Court judgement in 2017, which determined that the Yindjibarndi Ngurra Aboriginal Corporation (YNAC) has exclusive native title rights over the Yindjibarndi country, the YNAC is progressing a native title compensation claim against the State of Western Australia in the Federal Court of Australia.

In the proceedings, YNAC is claiming that the Yindjibarndi People are entitled to compensation for the grant, by the State of Western Australia, to Fortescue for mining tenements in relation to our Solomon Hub operations. The compensation trial is ongoing at the time of publication of this Sustainability Report.

We are committed to seeing this matter resolved. We have offered compensation to the Yindjibarndi people in the past and we continue to be ready to provide compensation.

From the outset, we have always been focused on practical initiatives that drive economic and employment opportunities for First Nations people. This remains our focus.

Eastern Australia

In Queensland, we are demonstrating our value of respect for First Nations people while also ensuring legal compliance requirements are met. For the Gibson Island Renewable Hydrogen and Ammonia Project in Brisbane, Queensland, no native title or registered cultural sites exist in the area; however, the possibility of sub-surface heritage remains.

We engaged early with the two First Nations parties claiming connection to the area, the Turrbal and Jagera peoples. Fortescue entered legally binding cultural heritage management arrangements with both parties to avoid and mitigate potential impacts on cultural heritage prior to any ground disturbance occurring, exceeding the Queensland legislative Duty of Care regulatory requirements.

Both First Nations parties have assisted with monitoring early works, providing us with valuable expertise and oversight on identification of sub-surface heritage. In anticipation of the project taking a final investment decision, a more detailed Cultural Heritage Management Agreement to cover construction and operations has been reached with the Turrbal Aboriginal party and an equivalent agreement is nearing completion with the Jagera Aboriginal party.

In addition, we have committed to each group's ongoing prosperity by supporting their self-determined aspirations through the Gibson Island Project Social Investment Strategy which is due for finalisation ahead of the commencement of construction activities.

Global operations

Respecting local culture is central to our principles and part of our Value of integrity. It is an essential aspect of our operations in the Pilbara since we were established in 2003. As we expand into new countries and territories, it is important that our culture and Values are upheld and that this respect is reflected in all that we do, wherever we are.

We will work together with First Nations people to manage Indigenous heritage responsibly and sustainably. We will focus on actively communicating with all stakeholders, including our local communities, and seek to secure the consent of First Nations peoples for any mineral exploration or development on their traditional lands.

In FY23, our international mining exploration activities conducted four cultural heritage surveys in Kazakhstan and Portugal. Three surveys were undertaken for the areas of Kushoky and Kurpetai in Kazakhstan and one in Mariola in Portugal.

A series of cultural heritage assessments have been undertaken as part of the Ivindo Iron Belinga project in Gabon. An exploratory archaeological assessment in the local area have uncovered evidence of heritage in local caves related to Stone Age and Iron Age cultures, with some charcoal remains salvaged for carbon dating. Community members from local villages also identified sacred and cultural sites during participatory social mapping. This process provides insight into local and customary land uses within the immediate Belinga project area and has been undertaken as part of the Environmental and Social Impact Assessment for the project. Confirmed sacred sites will be avoided, with exclusion areas established in consultation with local communities where appropriate.

CASE STUDY

PAPUA NEW GUINEA

Papua New Guinea (PNG) is renowned for its wide array of languages and rich cultural heritage. This is exemplified by the development of the PNG Constitution and its journey towards independence. The cultural identity of PNG's inhabitants, along with the acknowledgement of ancestral traditions and heritage, were incorporated into the Constitution's preamble to underscore their significance and the need for preservation.

All of our activities in PNG have prioritised the utmost respect for local values and cultures. These aspects have played vital roles in our initial investigations in West New Britain and the Gulf Province. Notably, a Traditional Ceremony was carried out with the Pawaian tribes, ensuring permission was granted to for access to construct a temporary campsite.

To understand the cultural heritage context of the First Nations people residing in the project areas of interest, preliminary land mapping and community profiling were undertaken. A comprehensive Social Mapping and Landowner Identification study was also completed. These activities were undertaken by experienced local subject matter experts with deep knowledge of the communities and local area.

BUILDING THRIVING COMMUNITIES

BUILDING BUSINESS CAPABILITIES

The Billion Opportunities program has awarded contracts and subcontracts worth more than $4.6 billion to over 190 First Nations businesses

Billion Opportunities

Our Billion Opportunities program forms a critical element of our approach to ensuring economic opportunity and growth for the Traditional Custodians of the regions in which we operate.

Since its commencement in 2011, the program has awarded contracts and subcontracts worth more than $4.6 billion to over 190 First Nations businesses.

The program is complemented by a range of practical initiatives that provide First Nations businesses with the tools to build value and sustainability which, in turn, creates employment and development opportunities.

Key to the success of the program has been:

- Providing opportunities for First Nations businesses based on their level of capacity and capability.
- Building the capability and capacity of First Nations businesses to ensure the businesses remain sustainable.
- Creating a company wide approach to engaging and mentoring First Nations businesses, including setting First Nations procurement targets and key performance indicators for our procurement leaders.
- Using well established and embedded procurement processes to ensure First Nations engagement is part of our tender evaluation.
- Establishing joint ventures that provide an opportunity for First Nations businesses to partner with established contractors to help build their capabilities, before securing contracts as majority owned businesses.

In FY23, we purchased $505 million (including GST) worth of goods and services from First Nations businesses. Over 75 per cent of this spend was with businesses owned by native title partners and their members. We also awarded 27 contracts to a value of $577 million to First Nations businesses.

The Billion Opportunities program continues to foster change and create sustainable communities. Through its continued success it is hoped the program will inspire other businesses to implement First Nations procurement strategies and provide opportunities to thousands of First Nations businesses across the country.

OBJECTIVE: Create economic opportunities for First Nations businesses through local procurement, business development, mentoring and capacity-building opportunities

Target: Annually, achieve a spend of 10 per cent with First Nations businesses

Spend with First Nations businesses

FY23	5%
FY22	5%
FY21	5%

CASE STUDY

DRILL FLEET PARTNERSHIP

Fortescue signed a major agreement with the Nyamal traditional custodian group to provide mining equipment for our Iron Bridge Magnetite Project. The $18 million agreement will see Nyamal Aboriginal Corporation initially provide five contour drill rigs, one stemming loader and two platform rigs to Fortescue. This will grow to include six additional platform rigs over the next two years to meet the Iron Bridge mine plan.

From the outset, Fortescue has been focused on practical initiatives that drive economic and employment opportunities for First Nations Australians. Contracts like this support the growth of First Nations businesses, enabling them to build capability which in turn provides ongoing economic benefits to communities.

Fortescue's Buriya Capital Funding program in partnership with ANZ

A major barrier for First Nations businesses is accessing capital. Since 2017, we have partnered with ANZ to offer a funding program that allows eligible First Nations businesses to access finance at a competitive rate. Fortescue acts as guarantor, which removes the need for the First Nations business to provide security. The First Nations business owns the assets during the term of the contract and is then able to use these assets as security in the future.

In FY23, over $57 million in funding was allocated to six First Nations businesses. This initiative has already guaranteed $99 million in funding to 17 First Nations businesses, of which more than $30 million including interest has been repaid. More than 200 mobile assets have been purchased using this funding, including excavators, water carts, graders, prime movers, buses and light vehicles.

BUILDING SUSTAINABLE LOCAL COMMUNITIES

We are committed to ensuring the ongoing support and use of local businesses that in turn employ local people. We recognise the need to create vibrant and thriving communities that will attract and retain a mining workforce and their families. We seek regular feedback from our residential workforce and other stakeholders, including local governments and businesses, to ensure our initiatives and programs support and address the challenges facing these communities.

We are committed to creating positive social change in communities through local procurement, business development, mentoring and capacity building opportunities. We seek to understand local issues and tailor our approach based on potential impacts and community needs.

Pilbara operations

We support a regional FIFO workforce for our Pilbara iron ore operations, supporting employees based in Port Hedland, Broome, Fitzroy Crossing, Kununurra and Karratha. FIFO flights are provided from these regional centres to our sites, allowing employees to be based in their local Pilbara communities. We also provide housing support to 588 Pilbara-based employees.

Over 95 per cent of our total procurement spend, including FFI and excluding Fortescue WAE, was with Australian businesses and entities, 68 per cent was within Western Australia and 1.8 per cent was with local Pilbara suppliers. Our method of calculating Pilbara local content has been revised to remove a manual adjustment process. From FY23, only those suppliers whose primary address is located within the Pilbara region as defined by postcode are considered to be a local Pilbara supplier. Previously, spend with selected suppliers not primarily based in the Pilbara but undertaking work for Fortescue within the Pilbara region was also included.

CASE STUDY

REGIONAL FLIGHTS

Fortescue is the only Pilbara-based mining company to operate flights that link our Pilbara operations with major northern communities in Western Australia and the Northern Territory. Each week, we provide flights between:

- Solomon and Karratha
- Cloudbreak and Karratha
- Cloudbreak and Port Hedland
- Eliwana and Port Hedland
- Christmas Creek and Broome, Fitzroy Crossing and Kununurra.

In FY23, we invested $4.4 million in providing regional flights. This allows our employees to access our sites while living in regional communities with their families, supporting local economies. Our regional flights also support our First Nations employees in living on country and staying connected to the land in our northern communities.

Considering the context of Fortescue's global growth and our increasing focus on decarbonisation through our supply chain, the Pilbara local content target referenced in our FY22 Sustainability Report is no longer considered to be a material sustainability target for our business.

Thriving global communities

As we expand our portfolio globally, our commitment to building thriving communities also expands with us. Our objective to create economic opportunities in the regions in which we operate remains a key focus as we develop projects in new territories. We recognise that effective stakeholder engagement is critical in this process to both communicate our intentions as well as listen to the expectations and concerns of the local communities.

We are committed to empowering thriving communities by delivering positive social, environmental, and economic benefits, through transparent and ongoing dialogue. Our objective is to obtain and build community support, while respecting local communities and human rights. Our commitment to thriving communities is driven by our values and our desire to meaningfully support the countries and communities that host us.

Our approach to thriving communities consists of four key areas as is illustrated.

1. Community investment

Community investment is used to build stakeholder relationships and demonstrate our commitment to supporting thriving communities. We prioritise community needs, partnering with local credible organisations to build capacity and deliver sustainable outcomes. We recognise that not all projects develop along the same pathway, and often vary in scale and type. As a result, our community investment approaches, models and scale will vary considerably. We work with the local communities and other relevant stakeholders to co-design and co-manage our community investment initiatives.

Our community investment programs are still in the development phase for our international projects; these projects are still in early stages of their lifecycle.

2. Benefit sharing

Community benefit sharing involves sharing the financial and other benefits of our projects with local communities. They are measures that go beyond compensation and impact mitigation, to enhance the social and economic outcomes for the local community. We recognise there is a growing expectation from landowners around the world to share in tangible and authentic benefits from developments on their land. As such, we have commenced early internal discussions to develop our approach and framework in this area.

3. Local content

As a global company, we seek to consistently drive local value creation for communities wherever we work. Internationally, we achieve this by focusing on four pillars of local content:

- research and development
- green energy education
- training for employment
- opportunities for small and medium enterprises.

The Green Hydrogen Standard includes an expectation that due consideration and planning can be demonstrated to maximise local development opportunities and to engage smaller businesses in the supply chain.

Project-specific local content often apply, with obligations or commitments outlined in:

- local legislation
- Memoranda of Understanding agreed with government authorities
- conditions associated with grants or financing agreements.

Local content is often linked closely with community investment in education, capacity building and training, with both workstreams actively developing local capability and economic advantages through project participation.

4. Managing project impacts

It is critical that we manage our direct and indirect impacts on communities and the environment on which those communities often depend. We do this by adhering to rigorous environmental and social principles and standards, including the IFC Performance Standards and the Green Hydrogen Standard, where applicable, through effective impact assessment and management practices throughout the entire project lifecycle. We adopt a best practice, collaborative approach, ensuring community stakeholders are engaged during the process. Impact mitigation is used to offset negative impacts and leverage positive impacts.

PLANET — SAFEGUARDING NATURAL SYSTEMS

CLIMATE ACTION

Fortescue takes an industry-leading position on reducing emissions by working to decarbonise our operations and deliver renewable energy and products to the world

Our Targets

Scope 1 and 2 Emissions by 2030

Real Zero Scope 1 and 2 emissions across our Australian iron ore operations by 2030, with a commitment to have our targets verified in FY24 by the Science Based Targets Initiative.

Scope 3 Emissions by 2040

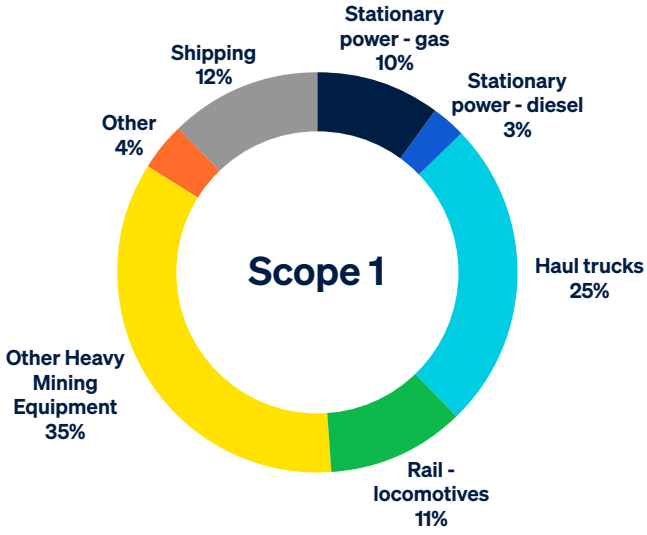
Work to provide technology solutions to decarbonise the steelmaking process, shipping and upstream emissions.

Our Emissions

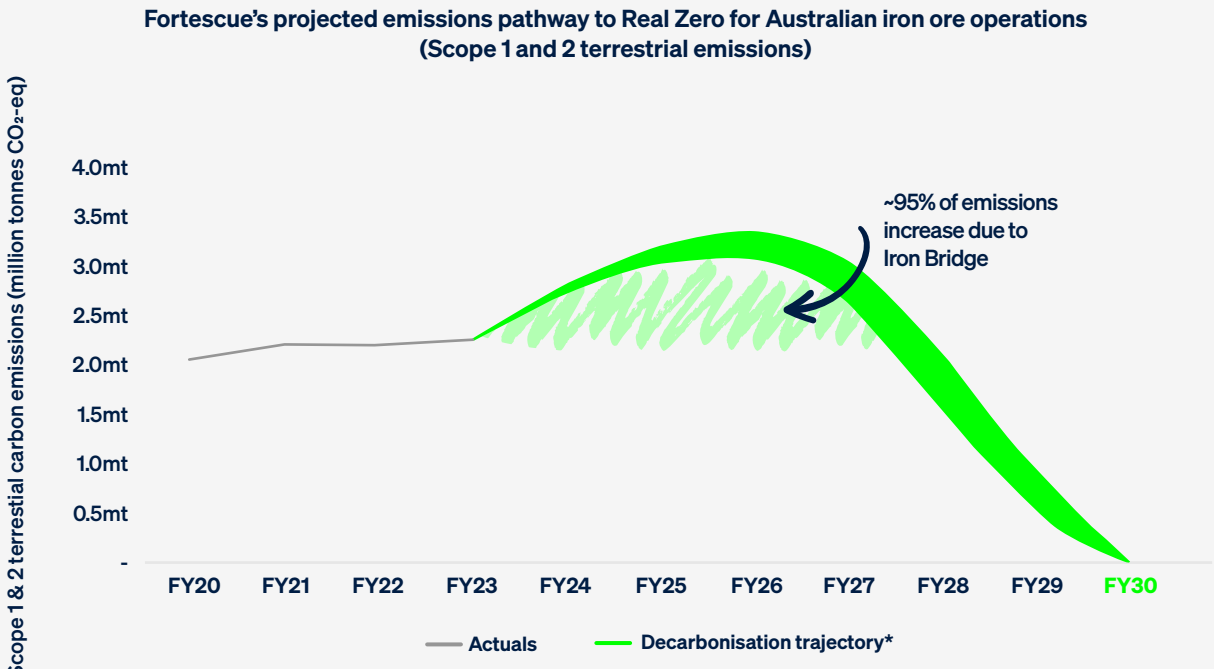
In FY23, total gross Scope 1 and 2 emissions from our Australian iron ore operations and Fortescue marine vessels, were 2.55 million tonnes CO_2-eq.

Our Scope 1 emissions consisted of 2.2 million tonnes of CO_2-eq in FY23, while our Scope 2 emissions from power purchases were lower, at 0.35 million tonnes of CO_2-eq.

FY23 Scope 1 iron ore emissions



As part of our plan to achieve Real Zero terrestrial emissions across our Australian iron ore operations by 2030, we forecast that our Scope 1 and 2 emissions in the Pilbara will initially rise out to FY26 before they begin to fall. This initial rise will occur due to production at Iron Bridge scaling up to hit nameplate capacity.



*Our emissions are forecast to fall within the shaded range based on our current decarbonisation plan and modelling. It is subject to various factors beyond our control, including those set out in our FY23 Climate Change Report and our FY23 Annual Report.

Scope 3 emissions are those that fall within our value chain but are outside our operational control, including those generated during the shipping of our products in non-Fortescue vessels and iron and steel production.

Our Scope 3 emissions in FY23 (267.61 million tonnes of CO_2-eq) were 5 per cent higher than in FY22. This increase in Scope 3 emissions was caused primarily by a rise in the amount of iron ore shipped, from 189 million tonnes in FY22 to 192 million tonnes in FY23.

Fortescue's use of renewable energy in the Pilbara continues to rise:

- since FY19, renewable energy use has risen from less than 1 gigawatt hour (GWh) to 144 GWh in FY23
- since FY22, renewable energy consumption has risen 58.9 GWh
- today, renewable energy comprises 20 per cent of the energy we purchase for our Pilbara iron ore operations.

Our Strategy

Fortescue recognises the urgent, global need for innovation at scale, both to enable heavy industry to decarbonise and to drive large-scale generation of green energy and green hydrogen.

Through inhouse scientific teams and with collaborations and engagement with other companies and academic institutions, we are developing and implementing decarbonisation solutions that can help address our Scope 1, 2 and 3 emissions.

Our climate change strategy focuses on:

- decarbonisation of our iron ore operations
- decarbonisation of our value chains
- Fortescue Energy.

For more information, refer to our FY23 Climate Change Report, which is aligned with the recommendations of the TCFD and is available on our website at **www.fortescue.com**

PROTECTING BIODIVERSITY

Our activities have the potential to impact the environment and we are committed to minimising these impacts by integrating mitigation measures into all stages of our operations

OBJECTIVE: To take responsibility for Fortescue's disturbance by protecting biodiversity in the regions where we operate

TARGET: Achieve a net positive impact on biodiversity

FY23 progress:

- 0 significant environmental incidents
- Ongoing implementation of our environmental management system
- $4.7m invested in research and conservation programs
- Progressing TNFD pilots for a number of our projects and operations

OBJECTIVE: To take responsibility for Fortescue's disturbance by protecting biodiversity in the regions where we operate

TARGET: Achieve zero significant environmental incidents

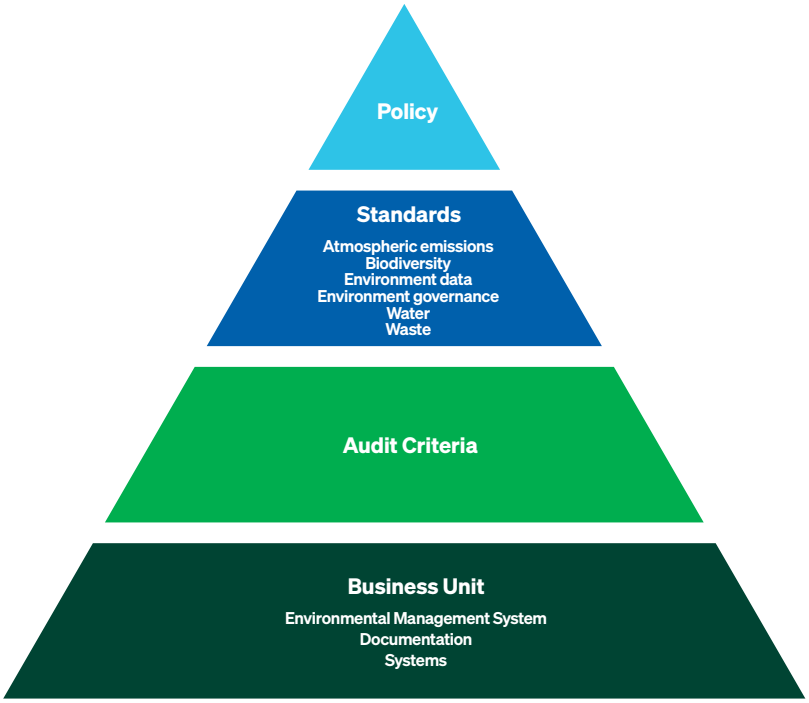
Significant environmental incidents

FY23	0
FY22	0
FY21	0

We take a precautionary approach to environmental management and implement the mitigation hierarchy to avoid, minimise, rehabilitate and offset impacts across all of our activities.

Global environment model

Our Global Environment Model outlines the minimum acceptable requirements for environmental management at Fortescue, and consists of our Environment Policy, Environment Standards and Audit Criteria.



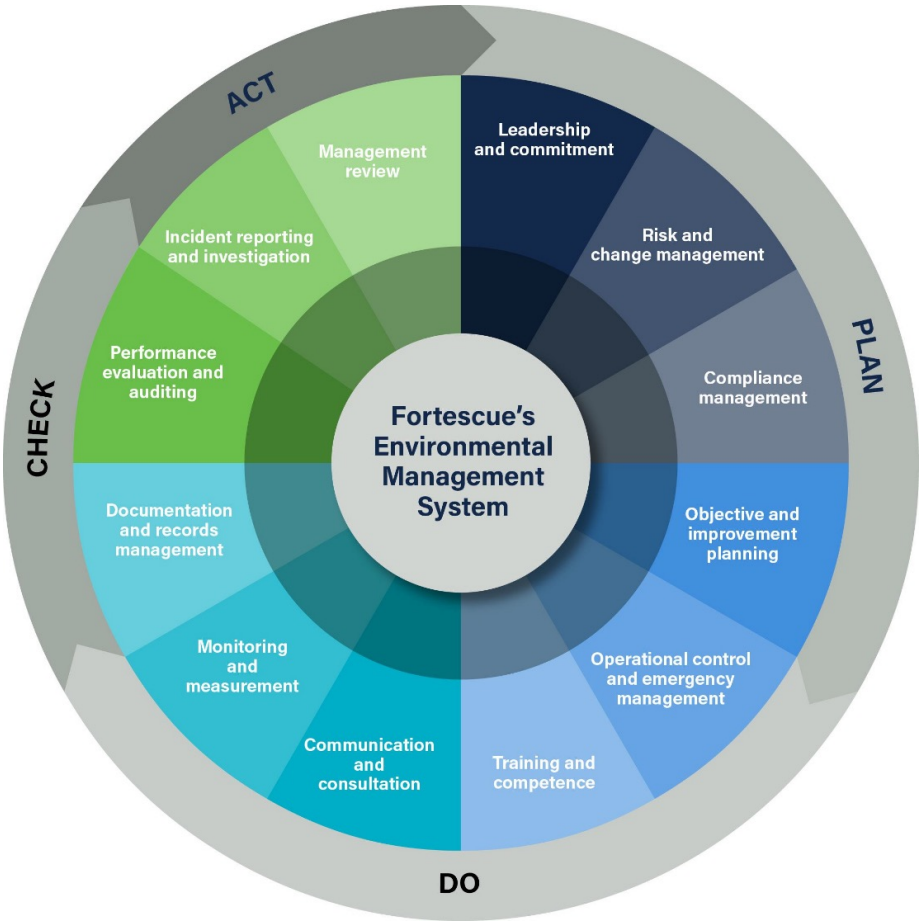
The Environment Policy outlines our commitment to safeguarding the environment. In early FY23, the Environment Policy was revised in response to changing global expectations around the protection of biodiversity and to provide support and direction to Fortescue as we transition to a global energy and resources company. Key updates included commitments to:

- Achieving a net positive impact on biodiversity.
- Working collectively to reverse forest loss and land degradation, in line with the Glasgow Leaders Declaration on forest and land use.
- Acknowledging the value of ecosystem services at local, regional and global scales and aligning the development and operation of our projects to the United Nations Sustainable Development Goals 14 and 15.
- Decarbonising our Australian terrestrial iron ore operations in line with our Climate Change Policy and producing green energy, green hydrogen and green ammonia to reduce global reliance on fossil fuels.
- Not disposing of mined waste materials or tailings into rivers or marine environments.
- Not undertaking activities within or adjacent to legally protected areas, areas designated for legal protection and areas recognised for their high biodiversity value if they are to the detriment of the area's value. These areas are inclusive of UNESCO World Heritage Areas and the International Union for the Conservation of Nature (IUCN) protected area categories I -IV. At a minimum, activities conducted will be consistent with the area's legal protection and management objectives and plans and all significant adverse impacts will be avoided in these areas.

Our environment Standards outline the specific requirements to demonstrate implementation of the Policy commitments relevant to the project lifecycle. The Audit Criteria are used in support of the Standards and outline the required evidence that can be shown as compliance with the Standards. Environmental management systems and documentation will be guided by the requirements of the Policy and the Standards.

Environmental management system

At Fortescue, we implement, maintain and continually improve an Environmental Management System (EMS) that is aligned with ISO14001. Our EMS is implemented across our operational sites, development projects, exploration activities and corporate offices. It applies to contractors and subcontractors where Fortescue maintains operational control in respect to the environmental impacts of our activities, products and services.



It is the responsibility of everyone at Fortescue to ensure that we safeguard the environment for future generations through responsible environmental management wherever we operate.

The ARMSC is responsible for overseeing all matters relating to environmental management on behalf of the Board.

Specialists in our Environment teams work to protect biodiversity in day to day operations, to ensure that we take a proactive approach to environmental management across Fortescue. Our biodiversity specialists are supported by independent external consultants to complete baseline environmental surveys and assessments of our project areas. We use data collected during these surveys to inform project design and operational activities and contribute to detailed environmental impact assessments. The outcomes of these surveys assist with developing sound biodiversity protection measures.

We work closely with our stakeholders, including state and federal government agencies, First Nations people, and communities to ensure appropriate mitigation practices are in place. We engage with stakeholders throughout the life of our projects with formal engagement undertaken as part of the planning and approvals processes for all operations and facilities.

We have identified sites associated with critical biodiversity values (those of global, national or local significance) within or in close proximity to our operations and this information is provided in the Data Tables on pages 102 to 121. We work to ensure that these sites are managed to protect their significant biodiversity value.

Pilbara operations

We implement several environmental management plans at our established operations in the Pilbara region:

- **Conservation Significant Fauna Management Plan** – identifies potential impacts to conservation significant fauna and ensures effective management and monitoring measures are in place for species including the Pilbara olive python, night parrot, northern quoll, greater bilby, ghost bat, Pilbara leaf-nosed bat and several migratory bird species.
- **Vegetation Health Monitoring and Management Plan** – identifies potential impacts to conservation significant flora and vegetation and ensures effective management and monitoring measures are in place for vegetation of significance including threatened ecological communities, riparian vegetation, groundwater dependent vegetation, mulga and samphire communities.
- **Fortescue Marsh Hydrology and Vegetation Monitoring and Management Plan** – we implement measures to protect the biodiversity value of the Fortescue Marsh, a wetland of national significance listed on the Directory of Important Wetlands of Australia. The Fortescue Marsh is located south of our Chichester Hub which incorporates the Cloudbreak and Christmas Creek mine sites.
- **Noise Management Plan** – ensures that noise levels associated with our rail and port activities comply with statutory requirements and acceptable standards and do not impact noise sensitive receptors including native fauna.

In FY23, we undertook biodiversity surveys spanning vast areas of the Pilbara, with over $4.1 million spent on environmental baseline studies to broaden our knowledge of the environment that we work in. Highlights include:

- Several studies supporting our decarbonisation activities across the Pilbara, including flora and fauna surveys, short range endemic fauna surveys, visual assessments and noise and vibration surveys.
- Detailed surveys for flora and fauna, including invertebrate fauna, subterranean fauna and ethnobotanical and ethnozoological aspects.
- Species specific focused surveys, including call analysis research for the endemic and endangered night parrot, and ecological water regime surveys for the Western coolabah, *Eucalyptus victrix*, a groundwater dependent species that occurs along creek beds within our mine sites.

Global operations

With a vast portfolio of potential renewable energy projects across the globe, together with our international mining and resources activities, Fortescue is committed to ensuring the biodiversity of our project sites is studied, understood and assessed to inform project development decisions.

Most of our projects are in the feasibility phase and we are committed to ensuring baseline studies are conducted to *Good International Industry Practice*. We are currently scoping and implementing surveys in Africa, North America, South America, Southeast Asia, Australia, the Middle East and Europe. As well as contributing to the global understanding of biodiversity across these different regions, we will ensure that impact assessments meet *Good International Industry Practice* and the mitigation hierarchy of controls is implemented.

In FY23, we undertook several biodiversity surveys to support our global operations, with $3.7 million spent on environmental baseline studies.

Research and conservation initiatives

We continue to contribute to research and conservation initiatives that improve the collective body of environmental knowledge in the areas where we operate.

In FY23, our contribution to biodiversity research and conservation initiatives totalled over $4.7 million, including amongst others:

- $50,000 towards the ENVestigator Initiative (environmental investigation tools), a suite of tools using remote sensing and machine learning techniques for near real time environmental monitoring and change detection.
- $100,000 of funding to support research into the taxonomy of subterranean pseudoscorpions as part of the WABSI subterranean fauna research program.
- Over $1.4 million for the implementation of the 'Pilbara Leaf-nosed Bat Research Plan', 100 per cent funded by Fortescue.

Environmental incidents and monitoring

During FY23, there were no significant environmental incidents and no environment-related fines, sanctions or grievances filed against Fortescue.

All environmental incidents are investigated, and we undertake internal compliance auditing across all sites to measure performance against environmental obligations and relevant standards. Internal compliance is complemented by external independent audits where required.

During FY23, the Western Australian Department of Water and Environmental Regulation and the Western Australian Department of Mines and Industry Regulation completed several desktop and site-based audits across our Pilbara operations, including exploration and development sites. The audits assessed compliance against approvals issued under the *Environmental Protection Act 1986 (WA) and Mining Act 1978 (WA).*

CASE STUDY

BELINGA IRON ORE PROJECT

An extensive baseline environmental data collection program has commenced for our Belinga project in Gabon. In partnership with our consultant Terea and the Research Institute for Tropical Ecology (IRET), three field missions have been completed to date, with a more comprehensive baseline data collection program to commence in FY24 and continue through to 2025.

Surveys will be focused within our 440,105ha Mining Convention Area as well as in regional locations including Minkebe National Park, to establish a regional baseline and contribute to the understanding of Gabon's unique environmental values.

Fauna surveys have targeted large mammals and fish, recording conservation significant species such as the Western Gorilla, African Forest Elephant, Chimpanzee, Black Colobus, Leopard, Golden Cat, Yellow-backed and White-bellied Duikers and White-bellied and Giant Pangolin. Flora surveys have identified endemic and sub-endemic plants, as well as trees of commercial or community value. Additional surveys and baseline monitoring have also been undertaken for air quality, noise, soil characteristics, hydrology, surface water quality and groundwater quality. In FY23, $278,000 was invested in baseline surveys for the Belinga project.

The results of these surveys are informing design of the Belinga project, allowing for consideration of the environment in which we are to operate. Infrastructure will be located to avoid critical biodiversity such as waterways, significant tree species, fauna habitat and heritage, where practicable.

CASE STUDY

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

The Taskforce on Nature-related Financial Disclosures (TNFD) is in the process of developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and towards nature-positive outcomes. Several beta versions of the framework have been released, and the full framework for market adoption is expected to be released in early FY24.

Fortescue is a member of the TNFD forum, and we have commenced a pilot assessment for a number of our sites, using the LEAP integrated assessment process for nature-related risk and opportunity management:

- **Locate** your interface with nature
- **Evaluate** your dependencies and impacts
- **Assess** your risks and opportunities
- **Prepare** to respond to nature-related risks and opportunities and report.

The outcomes of the pilot assessments will contribute to our understanding of nature-related dependencies and impacts for the pilot sites, which include operational iron ore facilities in the Pilbara, the Ivindo Iron Belinga project in Gabon and a US-based green hydrogen project in the early stages of development through Fortescue Energy. The pilot will also inform planning for future disclosures aligned with the TNFD framework, following its completion.

PROTECTING WATER RESOURCES

Water is a critical resource and its effective management is fundamental to the sustainability of our operations and the ecosystems and communities in which we operate

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Set public, site-specific water management targets for each of our operating mines by FY23

Operating mine sites with site-specific targets

- FY23: Eliwana and Solomon mine sites targets set
- FY19: Chichester Hub (Christmas Creek and Cloudbreak mines) targets set

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Annually, ensure at least 80 per cent of water abstracted at the Cloudbreak and Christmas Creek mine sites is used for operational requirements or beneficial environmental purposes

Progress

FY23	96%
FY22	99%
FY21	98%

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation.

TARGET: Pilot the Minerals Council of Australia Water Accounting Framework at Eliwana, in line with the ICMM Water Stewardship Framework, in FY24, to provide a catchment-wide view of water flows, uses and quality.

Progress

- FY23: New target set in FY23. Progress to be reported in FY24.

OBJECTIVE: Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation

TARGET: Complete a site-wide water resource efficiency assessment for Solomon in FY24 to inform long term water efficiency planning.

Progress

- FY23: New target set in FY23. Progress to be reported in FY24.

We are committed to the effective stewardship of water resources and practising responsible water management throughout our areas of operation and across all current and future project stages.

The following five principles are the core elements of our approach to water:

1. Source water responsibly.
2. Maximise water efficiency across all project stages.
3. Minimise adverse physical and chemical impacts on water systems.
4. Steward water as a shared resource.
5. Implement robust and transparent water governance practices.

We manage water resources at a catchment level across our operations. Site specific water balances are used to quantify supply and demand and identify opportunities to improve water use efficiency.

We monitor water quality and quantity at our operations, along with the health of key local water-dependent ecosystems and habitats. This monitoring allows us to ensure impacts are minimised and that we are operating in compliance with regulatory requirements.

The ARMSC is responsible for overseeing all matters relating to environmental management, including protection of water resources, on behalf of the Board.

A cross-functional Water Working Group was established in FY23 to further develop our business-wide water governance framework to drive business resilience for water supply and water risk management and to build on our existing water strategy. The Water Working Group has facilitated the development of site-specific water targets, with new targets for Solomon and Eliwana mine sites being approved by the Sustainability Committee in April 2023. A site-specific target for Iron Bridge will be set in FY24, following the formal transition of this project into operations.

The Water Working Group is currently developing a Water Policy outlining our commitment and strategy, which is expected to be released in early FY24, laying the foundation for a consistent approach to water management across Fortescue.

Our Water Management Standard provides a business wide framework for managing water responsibly to ensure our water management objectives can consistently be met. This Standard covers all infrastructure and Fortescue water management activities associated with water abstraction, use, storage, treatment, discharge and managed recharge and includes any impacts, including alteration to water levels, flow and quality.

Our dedicated Water Planning team provides technical support across the business during all stages of our Pilbara operations, including planning and approvals. Specialist advice is provided on a wide range of issues, including flood management, water supply, climate change and dewatering.

All Fortescue energy projects aim for certification under the Green Hydrogen Standard. Requirement 5B of the Standard addresses water and wastewater, including sustainable water sourcing, water efficiency and wastewater management. Green energy projects progressing to Final Investment Decision will have tailored water stewardship management plans developed to ensure that these criteria are met as projects progress into operations.

Water activities

We disclose our water withdrawal, consumption, reuse and discharge according to the GRI Standards for facilities within our operational control. Facilities using less than 0.01 per cent of Fortescue's total water withdrawal for the previous year are excluded from reported data as they are considered immaterial. These facilities typically include corporate and project offices, laboratories, pilot plants and minor accommodation camps. For FY23, our materiality threshold is a withdrawal of 1.9 ML.

We take a proactive approach to responsible water management and acknowledge that our operations have the potential to impact water resources. We mitigate impacts by complying with all regulatory requirements as the absolute minimum and implement sustainable, adaptive water management practices across all our sites.

Pilbara operations

Our major interactions with water occur at our operational mine sites and mineral exploration sites in the Pilbara. These sites require water for ore processing, dust control, drilling, test pumping and for village requirements, including the supply of drinking water.

Water for our operational mine, port and rail facilities is primarily sourced from local groundwater resources, with minor quantities purchased from municipal suppliers. Our port also uses desalinated seawater. Surface water is not used to supply water to any of our iron ore operations in the Pilbara.

We conduct mine pit dewatering at several of our mine sites to access iron ore present below the natural groundwater levels. This water is used to meet operational requirements, and forms a key water source at our Cloudbreak, Christmas Creek, Eliwana and Solomon mine sites. The use of water is subject to a water quality hierarchy, ensuring that water is of a suitable quality for the required purpose.

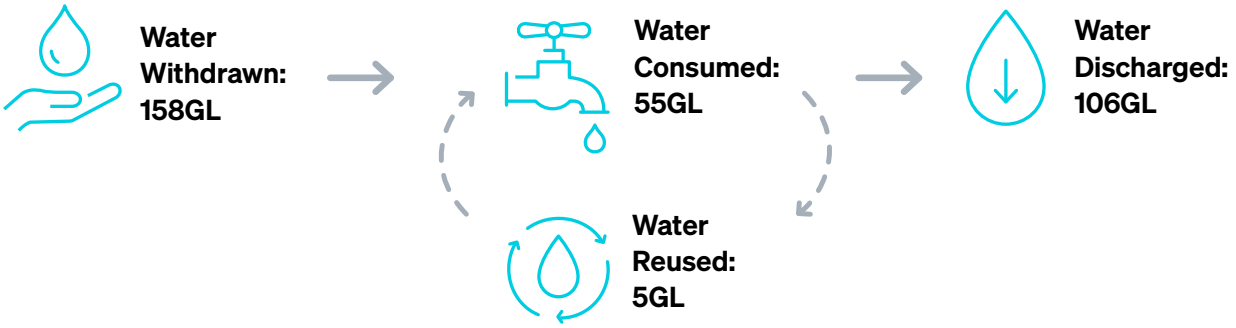
At locations where mine dewatering volumes exceed operational use and environmental water supplementation, excess water is returned to the environment by reinjection. We actively maintain groundwater levels for key groundwater-dependent ecosystems and also water levels in some permanent pools of local creeks. With the exception of our regulated surface water supplementation requirements, we do not discharge water to surface water bodies.

Our Iron Bridge project is in the final stages of construction and commissioning. Once fully operational, Iron Bridge will produce a wet concentrate product which will be transported to our concentrate handling facility in Port Hedland through a slurry pipeline. With limited suitable local groundwater sources within 100km of the Iron Bridge mine site, water for operational needs will primarily be sourced from the Canning Basin borefield, located 160km east of Port Hedland. A 190km water supply pipeline will transport water from the Canning Basin to Iron Bridge. Water recovered from the magnetite slurry will be returned from the concentrate handling facility to the mine site for reuse, allowing for improved water efficiency in the magnetite production and transport processes and minimising abstraction requirements from the Canning Basin.

In FY23, 117GL of water was abstracted for mine dewatering at our Chichester Hub and 98GL was reinjected as part of our Managed Aquifer Recharge program.

Water balance – Pilbara operations

Water balance – Pilbara operations



Non Pilbara operations

Water activities outside the Pilbara region are limited, accounting for less than one per cent of our total water use.

Within Fortescue Metals, water is used as part of international minerals exploration and for the Belinga Project which is currently in development in Gabon. None of these activities met our water reporting threshold for FY23.

For Fortescue Energy, site investigations have commenced for a number of projects in South America, Norway, the USA and Australia as part of exploration, scoping or pre-feasibility phases. In some cases, these site investigations involve water withdrawal or consumption. In addition, water is also consumed at various laboratories, research facilities and at the GEM which is currently in development. Of these activities, only the early development of the Pampas Project in Argentina and the Grand Inga Project in the DRC meet the FY23 materiality threshold for water withdrawal and are included in our reportable data this year.

In FY23, 384ML of water was withdrawn from municipal water supplies as part of these Fortescue Energy projects. We consumed this water as potable supply for offices and accommodation facilities. No water was discharged to the environment.

Water risk

Our evaluation of water-related risks and opportunities, including those related to climate change, are integrated into multidisciplinary, company wide risk management processes and are considered as part of our overall business strategy.

We assess our water risk and water stress using the World Resources Institute (WRI) BETA Aqueduct Water Risk Atlas tool. This tool helps us identify the areas which are most susceptible to river and coastal floods, as well as the severity of droughts and seasonal and interannual water variability and scarcity that can be expected.

Water-related risks	Relevant sites	Mitigation and management actions
Potential impacts to the Fortescue Marsh	Chichester Hub	• Implement the Chichester Managed Aquifer Recharge (MAR) program to minimise groundwater level change near the Fortescue Marsh • Apply a set of triggers to inform mitigation measures if unforeseen changes occur • Monitor groundwater levels • Monitor groundwater dependent vegetation
Potential impacts to pools	Solomon, Eliwana and Iron Bridge mines	• Monitor groundwater levels, surface water levels and quality, as defined by environmental conditions • Implement supplementation activities, where required
Potential impacts to stygofauna	All sites	• Identify the extent of habitat and characterise stygofauna species • Manage groundwater drawdown
Potential impacts to groundwater dependent vegetation	All sites	• Monitor groundwater levels • Manage groundwater drawdown • Monitor groundwater dependent vegetation
Potential impacts to other water users including pastoralists	All sites	• Engage with stakeholders regarding potential impacts and management measures • Adhere to catchment scale water allocations • Install additional water infrastructure where required
Increased flood risk due to climate change	All sites	• Assess the risk to critical infrastructure using various climate change scenarios • Update the flood protection design criteria, where required
Meeting mine site water demand	All mine sites	• Maintain a range of water supply options • Monitor and manage existing and future water supply sources • Conduct studies to assess potential environmental impacts and inform appropriate triggers for management actions • Implement best practice techniques for mitigating environmental impacts such as Managed Aquifer Recharge and supplementation
Flood risk during wet season	All mine sites	• Update hydrological models with any new data • Conduct an annual risk assessment and implement a wet season preparedness plan • Monitor flows and impacts during flood events
Risk to mining production due to insufficient dewatering	Chichester Hub, Solomon, Eliwana	• Conduct hydrogeological investigations prior to pit development • Design appropriate water management infrastructure through use of integrated hydrogeological numerical models and water system models • Monitor dewatering response and feedback into design

Our operations

Our Cloudbreak, Christmas Creek, Solomon and Eliwana mine sites are located in low or low to medium water risk areas. Both our Port Hedland operations and Iron Bridge development are located in an extremely high water risk area. To manage this risk at Port Hedland, over 60 per cent of the water for our Port Hedland operations is sourced from desalinated seawater. At Iron Bridge, the majority of operational water requirements will be met through the development of the Canning Basin remote borefield.

We do not have any operations located in areas defined as extremely highly water stressed. Our existing mine, port and rail operations are not located within areas defined as water stressed. The Canning Basin, the primary water source area for the Iron Bridge Operation, falls within an area defined as highly water stressed.

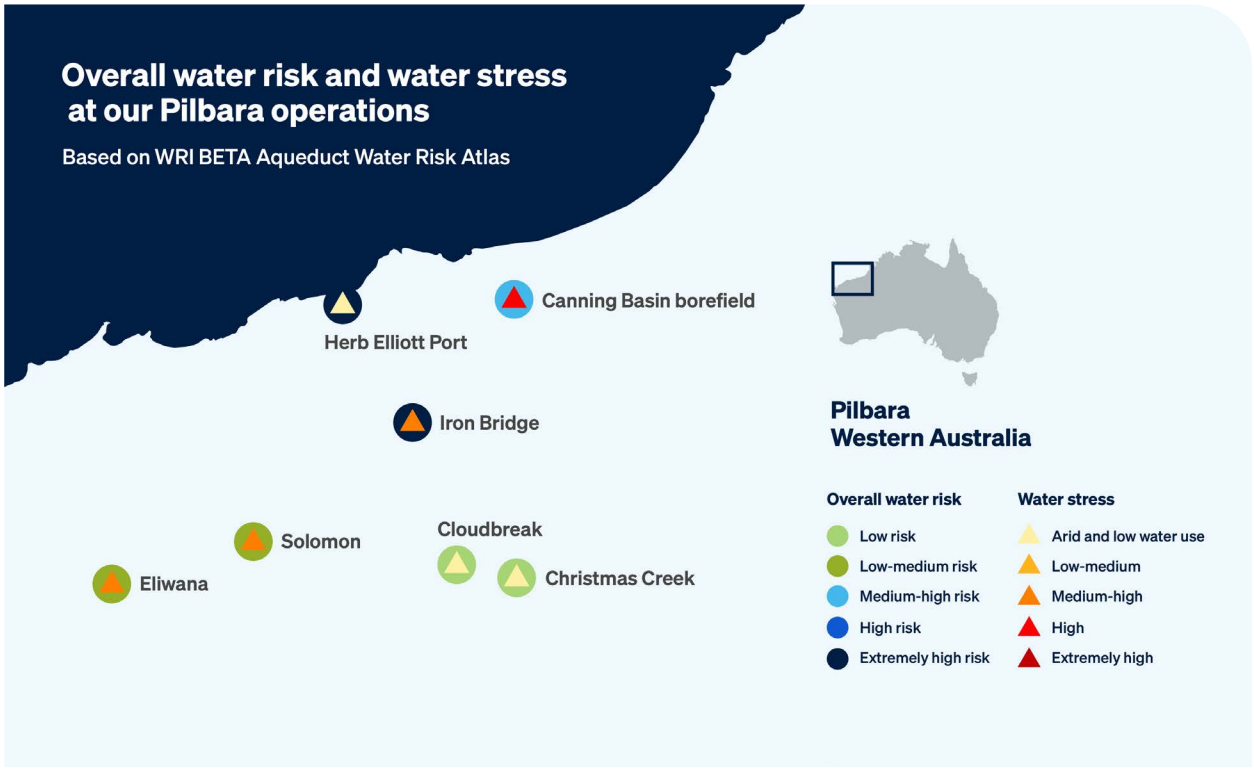
Facility level risk assessments are undertaken regularly as part of planning processes, including operational and environmental risks, constraints and challenges.

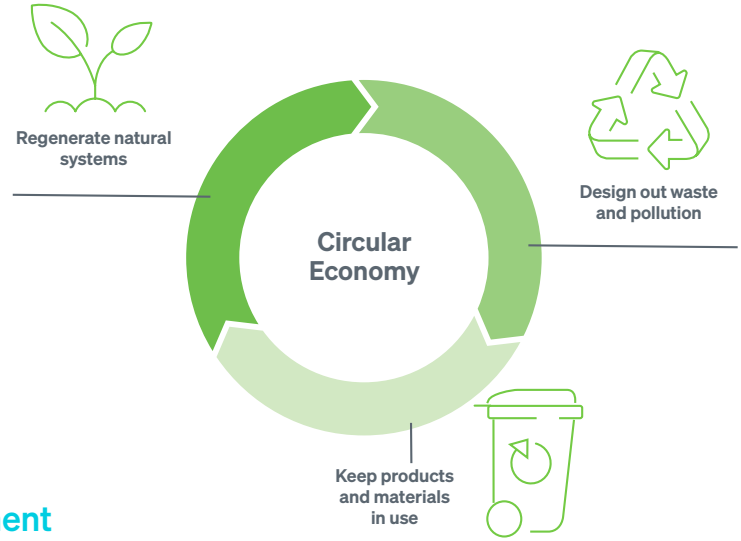
Our developments

Two Fortescue Energy projects recorded material water withdrawals in FY23. The Grand Inga is located in an area of extremely high water risk and low water stress. The project office supporting the Pampas Project in Argentina is located in Buenos Aires, an area of low water risk and low-medium water stress.

Our potential future developments include resource exploration projects, green energy and renewables projects. All potential developments are assessed for water risk and water stress using the WRI BETA Aqueduct Water Risk Atlas tool, especially those with significant projected water demand.

The Belinga Iron Ore project is located in an area of medium to high water risk and low water stress and the Phoenix Hydrogen Hub in southern USA is located in an area medium to high water risk and high water stress.





BUILDING CIRCULARITY

A circular economy is a systemic approach to economic development driven by innovation and designed to benefit business, society and the environment

Circular economy

The circular economy is based on three principles: designing out waste and pollution, keeping products and materials in use and regenerating natural systems.

We continued our journey to a circular economy in FY23, with a focus on initiatives aimed at designing out waste and keeping products in use.

Circular economy highlights

- working with Loop Upcycling to pilot a process for upcycling our used uniforms
- introducing coffee pod recycling at our corporate offices, while we transition to pod-free coffee facilities
- further developing our packaging reduction process with key suppliers, with the aim of eradicating single use plastic from the goods delivered to our operations
- continuing our Containers for Change program, with the collection of 695,000 containers in FY23, raising more than $70,000 for charity.

Our mobile assets have an average lifespan of around 10 years. In line with our commitment to circularity, surplus aged equipment is either sold via our business disposals process or converted into scrap steel through a third party.

Waste

OBJECTIVE: To reduce waste generation through prevention, reduction, recycling and reuse

TARGET: Recycle more than 80 per cent of our non-mineralised waste volumes at our operating sites, excluding tyres and concrete waste

Waste recycled

FY23	81%
FY22	83%
FY21	87%

Our waste management approach aims to reduce waste through the prevention, reduction, recycling and reuse of waste produced across all sites. We continue to investigate options to minimise the volumes of non-mineral general waste being sent to landfill.

Non-mineralised waste

Non-mineralised waste generated at our sites includes steel, wood, rubber, food and food packaging wastes, used oil and office waste. Established reuse and recycling mechanisms exist for the following materials:

- Scrap steel: 12,000 tonnes were collected from sites and recycled by third party recyclers.
- Waste oil: 7.1 million tonnes was collected and refined by third party recyclers.
- HDPE pipe: 545 tonnes of pipe was collected and recycled.
- Rubber: 6,600 tonnes were collected on site for internal reuse.
- Drink containers: over 695,000 containers were recycled through Containers for Change.

Where waste cannot be recycled or reused, it is disposed of at regulated landfill facilities on site or at nearby municipal landfill facilities. In FY23, we recycled 81 per cent of non-mineralised waste volumes across our Pilbara operations, excluding tyres and concrete waste. The decrease in reported recycling from FY21 to FY23 is primarily due to improved waste tracking and data collection over the past three years. Fortescue is collaborating with Tyre Stewardship Australia to identify viable recycling opportunities for used tyres from our Pilbara operations.

Waste is handled in accordance with our Waste Management Plan and Hazardous Materials Management Procedure. The Waste Management Plan aims to ensure that the disposal and management of waste does not adversely impact environmental values or the health, welfare and amenity of people, and also details the key management actions to achieve the plan's objectives.

CASE STUDY

BALERS

In FY23, our waste management coordinator collaborated with Pilbara operations site management, our Sustainability team and our Plastic Eradication Group to initiate a pilot program to trial a baler unit at our Christmas Creek warehouse, in order to divert recyclable waste from our landfill facilities. The baler unit can be used to bale either cardboard or soft plastic materials, allowing for these materials to be easily and safely transported off site for recycling at suitable recycling facilities.

The SmartWaste baler can process large volumes of recyclable waste with limited labour input, producing bales weighing up to 500kg. Large bales reduce our forklift and rubbish truck movements significantly and meet market standards for recycling.

Ultimately, we aim to install balers across our operations to target up to 1,200 tonnes of waste for diversion from our landfill facilities, resulting in cost savings and a reduced environmental impact through greenhouse gas emissions reduction and promotion of recycling.

CASE STUDY

FLOCCULANT PALLET RETURN SYSTEM

In FY23, a hazard was raised through our Process Engineering team, questioning the suitability of the wooden pallets being used to transport flocculant to site. The pallets in use were designed as a single use item, and were often found to be damaged or incapable of safely being used to store and transport large bags of flocculant. In response, a returns program was established in partnership with our supplier, including a commitment from the supplier to provide sturdy, reusable hardwood pallets.

This simple program will divert around 1,700 pallets from landfill each year, reducing costs and demonstrating a strong commitment to circularity. We plan to identify other suppliers and departments to replicate the program throughout our business.

Hazardous materials

The potential impact of environmentally hazardous materials across our sites is managed under the Chemical and Hydrocarbon Management Plan. This plan includes measures to minimise the potential environmental impacts associated with chemical and hydrocarbon transport, storage, handling and disposal. Our Hazardous Materials Management and Chemical and Hydrocarbon Spills Procedures outline key risks and specific management actions.

During FY23, 10,207 tonnes of hazardous waste, as classified under the Basel Convention, were generated at our Pilbara operations, with none being disposed of on site. This hazardous waste includes hydrocarbons, waste oil and batteries and is removed from our sites for recycling and disposal by licensed, third party waste management companies.

Mineral waste management

Our mine sites generated 355 million wet metric tonnes (wmt) of mineral waste in FY23. This material is retained on site and is managed in a number of ways, including:

- backfill into completed mine pits
- temporary or permanent storage in waste rock facilities
- use as a construction material on site.

Our mine closure planning process assists us in managing our mineral waste to achieve optimal post-closure outcomes.

At each of our mine sites, operational activities have the potential to disturb material capable of generating acid and/or metalliferous drainage (AMD). Detailed geochemical characterisation studies are undertaken for material disturbed and adjacent to the operational mining pit areas. These studies aim to determine the geochemical characteristics, location and likelihood of AMD generation through mining activities and any mitigation measures required – which may occur over the life of the mine. Where possible, avoidance of geological units with identified risk of AMD generation is undertaken throughout the mine planning process and where avoidance is not possible, potential AMD material is segregated and actively managed to reduce the risk of generating AMD. At our operations, this is typically managed through encapsulation within waste rock landforms and no further treatment or remediation is required.

Under current mine plans, interaction with AMD material will occur at two of our five mine sites, Iron Bridge and Eliwana. In FY23, AMD material is under active management at Iron Bridge, where this material is being encapsulated in waste dumps in accordance with an AMD Management Plan.

Tailings management

The tailings produced during the production of our iron ore are geochemically benign.

Our iron ore processing facilities generate a fine-grained by-product (waste), referred to as tailings. Tailings are pumped as a slurry via pipelines to site-specific designed tailings storage facilities (TSFs). Over time, the fine-grained material settles, allowing water known as decant to be recovered and recycled where possible.

In FY23, 26.2 million dry metric tonnes (dmt) of tailings were produced at our sites. Being geochemically benign (non-acid forming), these tailings pose a negligible environmental or health contamination risk.

We make use of internal subject matter experts, together with external consultants for tailings design, construction, monitoring and maintenance. This ensures that our TSFs are designed, built, operated and closed in line with regulatory requirements. Currently, as all of our TSFs are located in Western Australia, all activities and work are carried out in full compliance with the requirements of the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) and the Australian National Committee on Large Dams (ANCOLD). By applying the minimum requirements outlined by DMIRS and ANCOLD, as well as applying international best practice, we minimise any environmental and community impacts, and ensure operational efficiency, eliminating risk of catastrophic failure – the uncontrolled release of tailings to the environment.

The management of our TSFs includes rigorous design practices, comprehensive monitoring and management programs, independent auditing and a strict corporate governance regime.

Our tailings storage facilities

We do not employ the upstream raise as a TSF design method.

During the TSF planning and design phase, a number of aspects are considered, including the location of infrastructure, employees and communities, areas of environmental and cultural significance, topography, geological and climatic conditions, surface and groundwater, future land use, tailings characteristics and seismic activity in the area.

We do not employ the upstream raise as a TSF design method which involves construction of embankments on hydraulically deposited tailings where stability and integrity are reliant on the underlying tailings. Our priority is in-pit storage facilities utilising existing open pit voids whenever possible. When embankment raise methods are employed, the centreline or downstream raise method, where progressive embankments are constructed above previous embankments are adopted. All our TSFs are located in remote areas and there are no communities situated near these facilities.

All of our TSFs are located in the Pilbara Region of Western Australia. We currently operate five active TSFs and manage an additional six inactive facilities.

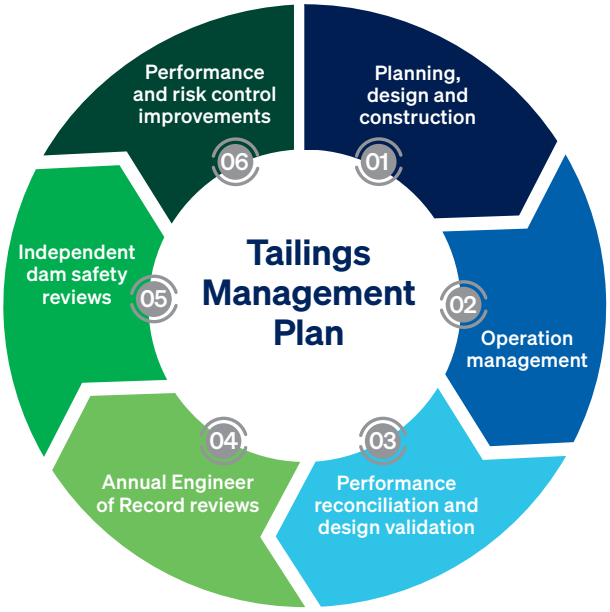
Two of the inactive facilities have been rehabilitated. One is in the process of being rehabilitated and another two are being dried for future rehabilitation. The final inactive TSF is located at Iron Bridge and is in care and maintenance.

The active TSFs are located at our operational mine sites at Cloudbreak, Christmas Creek Solomon Hub and Iron Bridge. None of our operating TSFs are considered large or complex engineering structures, or operated in geotechnically, geologically, topographically or meteorologically complex settings.

Based on the seven consequence rating categories defined by the ANCOLD (Very Low, Low, Significant, High C, High B, High A and Extreme), our TSFs at Cloudbreak and Christmas Creek, as well as the TSF at Iron Bridge currently in care and maintenance, are all classified as Very Low or Low consequence facilities.

Our Solomon Hub TSF is classified as a Significant consequence facility, and our newly constructed TSF at Iron Bridge is classified as a High C consequence facility. The higher classifications reflect an increased risk associated with exposure of operational infrastructure and environmentally sensitive areas located downstream of the TSFs. There are no communities situated downstream of these facilities in areas that could be impacted by any catastrophic failure.

Our TSF register can be found on the Environment page of our website at **www.fortescue.com**



Tailings Management Plan

We are committed to the safe storage of tailings and support the improvements recommended by the Global Industry Standard on Tailings Management (GISTM). We are proactively working towards general compliance with the GISTM as outlined in our Tailings Management Policy.

Our Tailings Management Plan (TMP) provides a consistent approach and the minimum requirements, systems and accountabilities to maintain the safety and integrity of our TSFs. The TMP complements the commitments of our Tailings Management Policy and the intent of the GISTM. The TMP provides the requirements of a Tailings Governance Framework, as defined by the GISTM.

The TMP has been created to ensure that every person involved in, responsible or accountable for tailings management is focused on managing the risks throughout the TSF life cycle. We carry out all tailings management activities, including planning, design, construction, operation, closure and post-closure activities in accordance with the minimum requirements of risk based TSF management set out in DMIRS and ANCOLD Guidelines.

The risk based process ensures risks are identified and reviewed, and that implementation and control effectiveness are monitored and audited. This process also assists in mitigating the impacts of failure through targeted response plans.

Each active TSF has a comprehensive Operations, Maintenance, and Surveillance Manual and Trigger Action Response Plan. Where necessary, a TSF specific Emergency Response Plan (ERP) acts in parallel with the site-wide ERP. Our ERPs are reviewed annually and updated as required.

Inspections and audits

We implement internal TSF monitoring and surveillance programs that include daily, fortnightly, monthly and quarterly visual inspections and instrumentation surveillance monitoring and alarm systems. All tailings-related team members are trained and must be assessed as competent prior to operating a TSF.

All of our TSFs are inspected annually by the Engineer of Record (Design Engineer) and undergo annual independent audits as per the DMIRS requirements.

CLOSURE AND REHABILITATION

Closure planning

OBJECTIVE: Ensure the closure of our mines and key infrastructure areas is undertaken in a planned approach, with appropriate financial provisioning in place

TARGET: Closure plans to be in place for each major operational site

Closure plans in place

FY23	100%
FY22	100%
FY21	100%

Our mine and non-mining closure planning focuses on returning the land to a state that provides future use and value. In our Pilbara mining operations, this is achieved by:

- Working collaboratively with our stakeholders, including local communities and First Nations peoples to explore future land use options and develop closure plans based on agreed future use.
- Ensuring we are adequately provisioned to comply with all relevant legal obligations and commitments once mining is complete.
- Seeking to improve closure outcomes and reduce closure costs through continuous improvement and innovation.
- Fostering a culture where planning for closure is considered at each development stage, where we work together to achieve the outcomes described in the closure plan.

Mine closure plans have been established for all our operational mine sites and new solar and wind power generation and transmission projects.

The closure horizon for our mine sites and supporting energy generation projects is beyond 2040. Although none of our sites are expected to close within 10 years, we undertake studies and field trials to demonstrate the feasibility of proposed closure strategies.

Financial provisions for closure are developed for all sites and revised every six months to capture mine and rehabilitation progress. These provisions are outlined in our FY23 Annual Report, which is available on our website at **www.fortescue.com**

Mine closure is a key consideration during the project feasibility phase when closure outcomes are agreed with stakeholders, and site strategies are created to minimise environmental impacts. To minimise the potential financial, social and environmental risks of mine closure, we review strategies over the life of each operation to ensure maximum effectiveness of rehabilitation activities and future uses.

Planning for closure starts when a project is being developed and continues throughout the mine life to ensure that the impacts of mining can be managed in an environmentally, socially and economically responsible manner.

Our closure planning cycle includes an annual closure review to ensure we develop outcomes that meet stakeholder needs and allow for sufficient time to consider accepted norms and obligations and ensure the best solutions can be implemented.

Sustainable rehabilitation

Fortescue's commitment to providing future use and value for our mined and disturbed land prioritises the repurposing of land and infrastructure to provide social and regional-economic benefits. Where opportunities for reuse and repurposing cannot be realised, infrastructure will be removed and mining related landforms and disturbances will be rehabilitated to ensure they are safe, stable, non-polluting, integrated with the surrounding landscape and able to support self-sustaining, functional ecosystems.

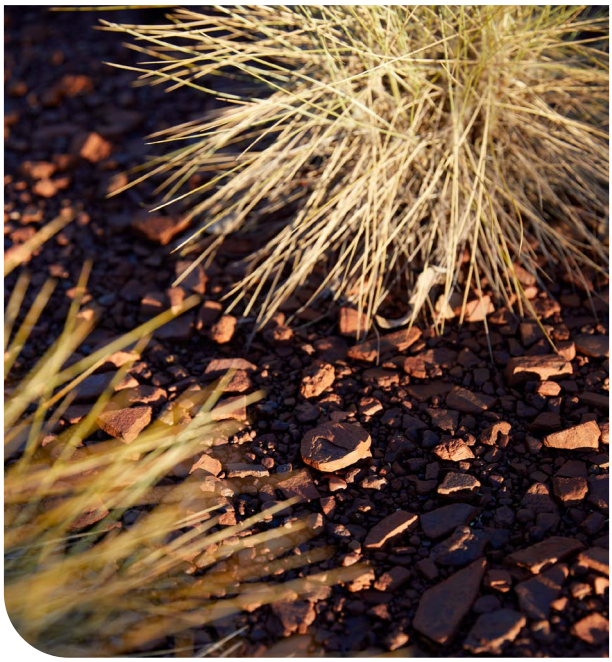
We have adopted a multidisciplinary approach to sustainable rehabilitation as we aim to ensure that progressive rehabilitation activities are integrated into all standard operating procedures and that closure environmental performance objectives are met. To achieve this, we have developed a range of practical, achievable solutions that ensure responsible rehabilitation practices are implemented throughout the mine life cycle. We consider a range of sustainable options which are fully costed prior to adoption.

We apply an integrated approach where rehabilitation monitoring procedures consider local environmental issues, using indices such as plant species diversity and composition, nutrient cycling, infiltration and erosion.

Each mine closure plan includes a progressive rehabilitation schedule. Our progressive rehabilitation activities are currently focused on improving our waste rock characterisation, updating our closure designs to align with the evolving mine development and preparing field trials. Rehabilitation implementation is focused on progressively backfilling pits to achieve our agreed closure outcomes.

During FY23, rehabilitation works included:

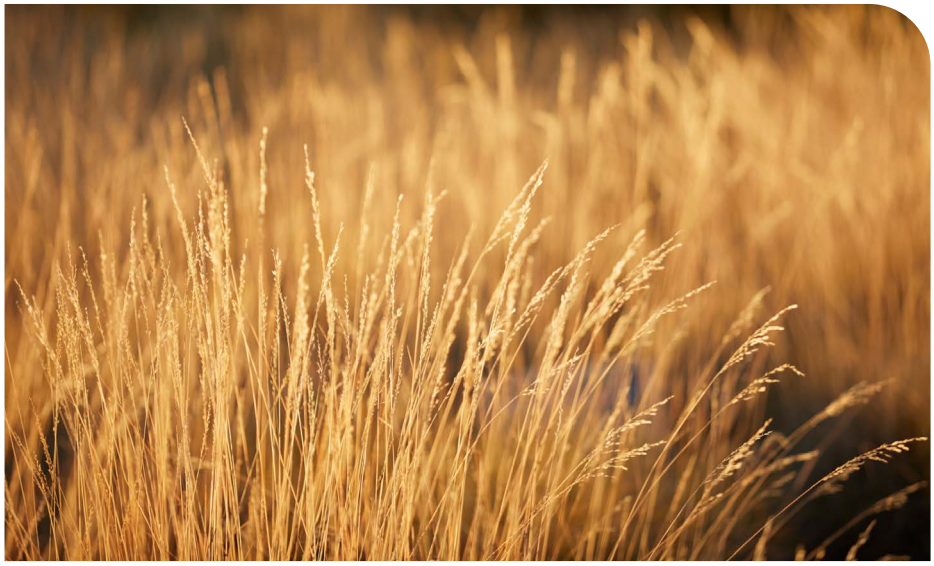
- Direct disposal (backfill) of more than 205 million tonnes of waste rock into exhausted mine pits at our Cloudbreak, Christmas Creek and Solomon mines.
- Continued geochemical and physical characterisation of the mineral waste rock, including tailings material.
- Ongoing review, involving computer modelling, of proposed post-mining landforms and water systems.



Partnerships and collaboration

During FY23, we continued to collaborate with industry peers to better understand and improve our closure planning and land use transition practices. We continued our support of the Cooperative Research Centre for Transformations in Mining Economies (CRC-TiME), participating in and co-sponsoring numerous projects, including:

- Research into increasing bio-available plant nutrients in mineral waste.
- Studies on improved prediction, remediation and closure of acid and neutral metalliferous drainage sites by examination of mine waste behaviour at the meso-scale.
- A review of the practices, techniques and procedures that are currently employed to quantify mine closure costs and benefits and associated mine closure risk.
- A review of water management associated with open pit mines.



PROCESS – OPERATING WITH INTEGRITY

BUSINESS INTEGRITY

Fortescue operates under a Code of Conduct and Integrity which reflects our Values and represents our commitment to uphold the highest ethical business practices

OBJECTIVE: To ensure our Values reflect ethical conduct and respect and are embedded in the business

TARGET: Annually, ensure ethical conduct is maintained by a targeted program, including leadership development, training, performance assessments and remuneration

Employees attending advanced anti-bribery and corruption training

FY23	766
FY22	863
FY21	264

Our Values guide our business decisions and foster integrity and honesty

The Code of Conduct and Integrity (the Code) provides guidance on the standards of behaviour expected from those who work for and with us, including our directors, officers, employees, contractors, suppliers, business partners, and all those affiliated with our subsidiaries and related companies over which we have control.

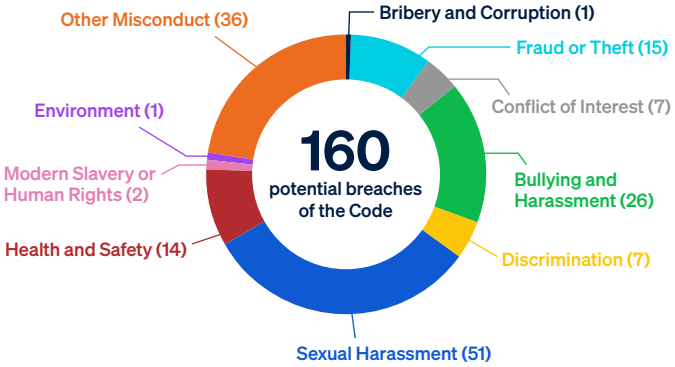
Our core principles and Values are documented in the Code, which is supported by a suite of policies and standards that shape our business, including:

- Anti-Bribery and Corruption Policy
- Appropriate Use of Technology Policy
- Climate Change Policy
- Continuous Disclosure and Market Communications Policy
- Cyber Security Policy
- Declaration of Interests Policy
- Directors Code of Conduct Policy
- Diversity Policy
- Environment Policy
- Equal Opportunity, Discrimination and Workplace Bullying Policy
- External Communications Policy
- Gifts, Entertainment and Sponsored Travel Policy
- Health and Safety Policy
- Human Rights Policy
- Media Policy
- Privacy Policy
- Procurement Policy
- Sanctions Compliance Policy
- Securities Trading Policy
- Whistleblower Hotline Policy.

Those who work for us and with us must ensure they are familiar with the Code, which is accessible on our website and intranet.

Training provided across the business reinforces the requirements of the Code. All employees participate in performance assessments biannually where adherence to the Code is assessed and reported. Remuneration is linked to these assessments.

In FY23, 160 potential breaches of the Code were reported.



An investigation has been completed for each of these cases, with 67 substantiated breaches confirmed. Disciplinary action for these confirmed cases resulted in 56 terminations in FY23.

Reporting and investigation

We provide a range of mechanisms to report suspected breaches of the Code. These include:

- Encouraging employees to raise issues with their manager or a member of our Fortescue People team via the Speak Up program.
- Encouraging community members to report via our community or site offices or via our website.
- Providing a Whistleblower Hotline for employees and external stakeholders.

Our Whistleblower Hotline provides an independent, confidential and anonymous mechanism for anyone, including employees, contractors, suppliers and members of the community, to raise concerns regarding potential illegal activity, violations or breaches of the Code. The hotline can be accessed via an online portal, phone, email or post and has multilingual capabilities.

Our Whistleblower Hotline Policy outlines the protections provided to disclosers of reportable conduct.

During FY23, 60 Whistleblower Hotline disclosures were reported, these are included in the information provided above on breaches of our Code.

All disclosures are received and reviewed by our Senior Manager, Governance and Compliance who either conducts or commissions an investigation. Investigation findings are reported quarterly to the ARMSC.

The majority of issues raised via the Whistleblower Hotline were employee relations matters, including concerns of antisocial behaviour such as bullying and harassment. A number of these investigations resulted in corrective actions, including warnings and, in some cases, termination.

The effectiveness of the Whistleblower Hotline is regularly reviewed.

Anti-bribery and corruption

Bribery and corruption undermine legitimate business activities, distort competition and have the potential to expose our business and people to significant risks. We practise a zero tolerance approach to all forms of bribery and corruption and are committed to working with local, state and federal governments to prevent corruption in our society. This commitment is formalised in our Anti-Bribery and Corruption Policy which is approved by the Board.

Our exposure to anti-bribery and corruption risks has increased as our business expands globally. Risk assessments have been completed for Fortescue's operating jurisdictions. In FY23, we considered risks associated with doing business in a number of countries including Gabon and Latin America. We rely on our Value of integrity and our strong corporate culture to ensure that all business is conducted fairly, openly, honestly and in compliance with all applicable legislation.

All employees must complete online anti-bribery and corruption training prior to commencing employment. In addition to this, all FFI team members must complete advanced face to face anti-bribery and corruption training within one month of joining our business. In FY23, 766 employees attended the advanced training, which exceeded the number of employees who were assigned this advanced training.

The ARMSC is responsible for overseeing matters related to anti-bribery and corruption. All ARMSC members are aware of our policies and procedures and will receive refresher advanced anti-bribery and corruption training before the end of 2023. Advanced anti-bribery and corruption training was also delivered to six governance body members associated with our Belinga project in FY23.

Our Anti-Bribery and Corruption Policy and associated Standard describe the behavioural expectations that ensure strict compliance with all applicable legal regimes. Our Governance and Compliance team oversees compliance with our Anti-Bribery and Corruption Compliance Program which is designed to meet the requirements of the Australian Criminal Code and all other applicable legislation. Our Program includes:

- A management commitment to promoting a culture of compliance that rewards prudent conduct and permits escalation of potential issues without fear of reprisal.
- Bribery and corruption risk assessments that consider the bribery and corruption risks associated with our business, third party partners and geographic locations.
- Robust internal controls that clearly and effectively identify, investigate, report and mitigate non-compliant activity.
- Independent testing and auditing of the effectiveness of internal controls.
- Targeted training of all employees on a periodic basis.

All vendors onboarded via our standard supplier platforms Ivalua and Ariba are provided with our vendor documentation pack, containing our Anti-Bribery and Corruption Policy and the associated Standard.

In FY23, one case of potential bribery or corruption was reported. An investigation was completed for this case, confirming that no actions constituting bribery or corruption occurred. No external investigations into bribery or corruption occurred in FY23. No fines or settlements related to anti-competitive business practices have been received within the last four years.

Political donations

We do not make political donations to any political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board. No political donations occurred in FY23.

Attendance at political functions is permitted where there is a legitimate business reason. Attendance at these functions must be endorsed by the Governance and Compliance team and the Director of Communities, Environment and Government. Records of political engagement forum memberships, attendance and costs associated with political functions are maintained.

Privacy

We are committed to maintaining the security of all personal information processed by Fortescue, regardless of whether this data belongs to our employees, customers or partners.

We follow regulatory requirements and best practice to meet our data privacy obligations. We comply with, and our internal standards are aligned to, the Australian Privacy Principles. Our Privacy Policy, Privacy Standard and Data Protection Standard govern all data processing activities, detailing how we collect, use, manage and protect personal information.

ECONOMIC CONTRIBUTION

Fortescue's economic contribution creates wealth in our Australian economy and around the world, with payments to our employees, suppliers and shareholders, and to the governments of the countries where we operate

TOTAL ECONOMIC CONTRIBUTION FY23

- Employee payments **$2.3bn**
- Shareholders and investor payments **$7.7bn**
- Government and native title payments **$5.5bn**
- Suppliers and operational payments **$10.9bn**

Our approach to tax

Payment of taxes is an important element of our commitment to ensure communities benefit from our operations. The taxes we pay contribute to the economic development of the countries in which we operate.

We strive for full and timely compliance with the letter and intent of the prevailing tax laws of all jurisdictions in which we operate and seek strong, collaborative working relationships with all relevant revenue authorities.

In line with our Board-approved Global Taxation Policy, we work to achieve this by:

- Ensuring implementation of and adherence to our Global Tax Corporate Governance Framework.
- Complying with all applicable tax laws and regulations of each country in which we operate, including reporting and paying all necessary taxes in a timely manner.
- Managing tax risks through constructing appropriate mechanisms that assess both short and long-term tax impacts when making major commercial decisions.
- Developing mutually transparent, cooperative and respectful relationships with tax authorities in the countries in which we operate and communicating with those authorities on tax matters where appropriate.
- Ensuring public disclosures are transparent, timely, accurate and meet stakeholder expectations.
- Operating in good faith through appropriate transfer pricing and not undertaking 'profit shifting' activities.
- Entering into transactions on the basis of commercial merit, not for the purpose of avoiding tax.

A copy of our Global Taxation Policy is available on our website at **www.fortescue.com**

Governance

Our Board is ultimately responsible for ensuring a robust system of internal controls is in place for tax governance purposes. Our Global Taxation Policy and comprehensive Global Tax Corporate Governance Framework are key to governing the management of tax-related risks in Australia and in all relevant overseas jurisdictions. The Board, through the ARMSC, receives regular updates from senior management on the operation and effectiveness of our Global Tax Corporate Governance Framework.

Our attitude to tax risk

Fortescue accepts a low level of risk in relation to major transactions and tax compliance activities, undertaking to file only verified tax positions. Major transactions are determined based on the value of the transaction and associated tax risk, technical complexity of the transaction and interpretation of the prevailing tax legislation. Where the application of the tax legislation is unclear, we seek external tax advice and consult with the relevant taxation authorities to achieve an appropriate level of certainty. There are also a number of controls, systems and procedures in place to manage our exposure to tax risk.

Tax transparency code

We are committed to transparency across all aspects of our business, including in relation to our tax obligations. By providing our investors and other external stakeholders with relevant tax information, we offer a deeper understanding of our tax profile to the wider community.

Our continuous review of internal tax policies, industry best practice, feedback from key stakeholders and legislative developments further underpins our commitment to tax transparency.

Fortescue has been a signatory to the Australian Board of Taxation voluntary Tax Transparency Code (TTC) since 2017. The TTC sets out several principles and minimum standards to guide additional disclosures of tax information by multinational businesses. The TTC is divided into two parts, with the BoT recommending that Part A and Part B be adopted by large businesses such as Fortescue.

To comply with Part A of the TTC, we have extended the scope of our income tax disclosures contained within our annual financial reports since FY17. Part B disclosures are included in our sustainability reporting. This details our approach to tax strategy and governance, as well as providing additional information on overseas operations and international related party transactions.

Total tax contributions

We pay taxes according to the prevailing laws in each jurisdiction. As our primary revenue generating operations are in Australia, the majority of our tax liabilities arise and are paid in this jurisdiction.

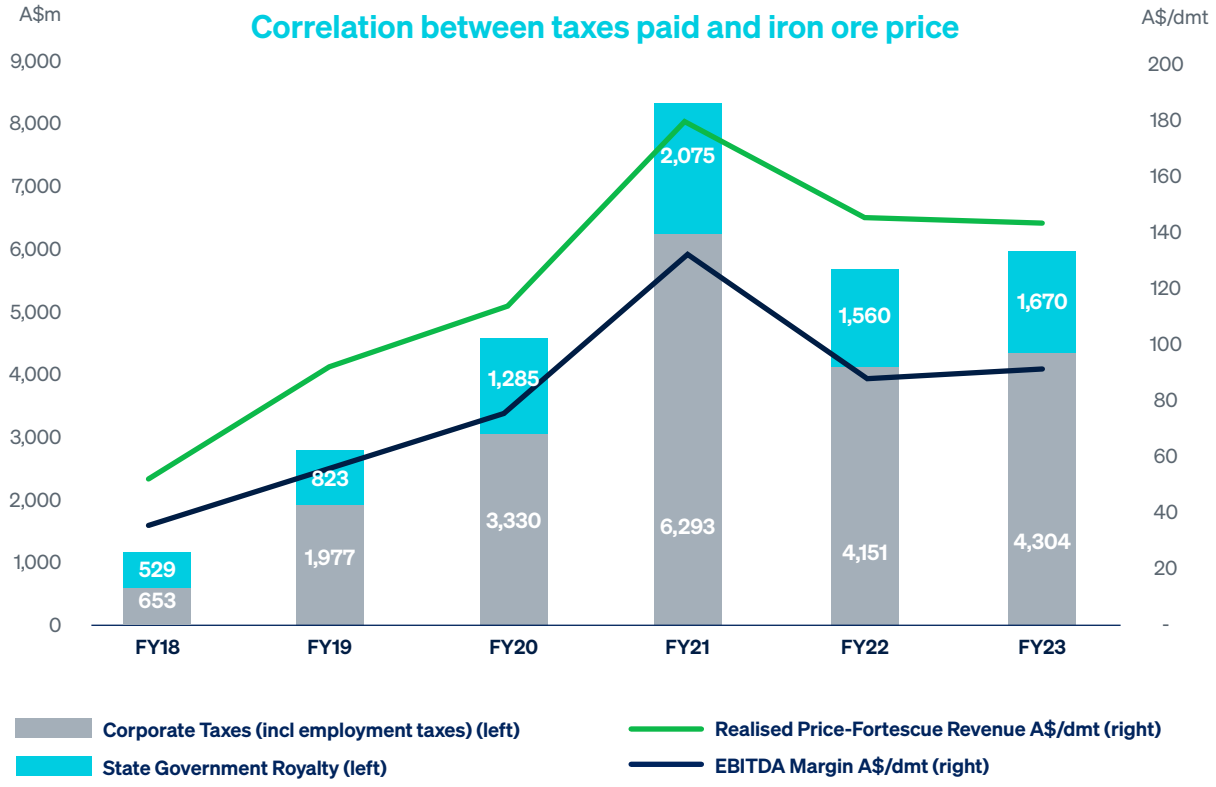
Taxes applicable to our business include:

- Company taxes
- State government royalties
- Comprehensive employment taxes such as fringe benefits taxes, payroll taxes and various employee insurances.

We also collect and pay a number of additional taxes beyond those which are directly attributable to our business. These include pay as you go withholding tax from salary and wages paid to employees.

Given the current structure of our international operations, some entities are subject to the Australian Controlled Foreign Company (CFC) rules. Under these rules, certain profits generated by relevant overseas entities are attributable and taxable in Australia at the 30 per cent Australian corporate tax rate.

There is a direct correlation between our earnings before interest, tax, depreciation and amortisation (EBITDA) margin and the total taxes paid. Our taxation payments therefore vary in proportion to earnings, which are driven primarily by the iron ore price and cost of production. A summary of our FY23 tax obligations and tax payment history is provided below.



Australian tax return information

Each year, the Australian Taxation Office (ATO) issues a Report of Entity Tax Information, which provides high level details of Fortescue's most recently lodged tax return. Tax returns are usually due for lodgement in the January month following each financial year-end, that is, the tax return for the year ended 30 June 2023 is due on 31 January 2024.

The following table reflects the Fortescue Australian tax consolidated group's information based on lodgement of the 2020 to 2022 income tax returns. The 2022 income tax return information will be released by the ATO late in the 2023 calendar year.

Fortescue Metals Group Ltd **Australian tax consolidated group**	**2022** **A$m**	**2021** **A$m**	**2020** **A$m**
ATO exchange rate	0.7258	0.7468	0.6878
Total income	21,611	28,778	17,733
Accounting profit before tax	12,033	19,597	9,631
Taxable income	11,926	19,424	9,832
Income tax payable at 30%	3,578	5,827	2,950
Less: tax offsets[1]	(69)	(38)	(31)
Final income tax payable in Australia	3,509	5,789	2,919
Effective tax rate in Australia[2]	29.2%	29.5%	30.3%

[1] Includes credits for foreign taxes paid on offshore income which is also taxed in Australia at 30 per cent (double taxation relief), and the research and development tax incentive.

[2] Effective tax rate is calculated by dividing the final income tax payable in Australia by accounting profit before tax.

All figures are disclosed in Australian dollars, after being calculated in Fortescue's functional currency of US dollars and converted at the ATO's average exchange rate for the relevant year.

These amounts differ from the tax numbers disclosed in our annual report for the following reasons:

- The above amounts only reflect the Australian tax consolidated group whereas the annual report includes the global Fortescue group of entities. Foreign subsidiaries and Australian entities that are not wholly owned cannot be members of the Australian tax consolidated group.
- The above amounts only reflect current tax payable whereas the annual report includes the impact of deferred tax expense arising on temporary differences. Temporary differences exist where amounts are assessable or deductible for tax at a different time to when they are recognised under accounting practices.
- Income tax expense in the annual report is based on current year provisional calculations with tax return finalisation adjustments reflected in a subsequent year.
- As a top 100 Australian taxpayer, we are part of the ATO's Justified Trust program that seeks to assure large companies are paying the right amount of tax. FY18 was our first year under the Justified Trust program and, at the outcome of its review, the ATO concluded that it had a high level of assurance that Fortescue paid the right amount of income tax.

This high level of assurance is the highest possible assurance rating under the program and has continued to be maintained for the subsequent FY19, FY20 and FY21 income years, each of which have been subject to discrete review. The FY22 income year is currently being reviewed by the ATO and is expected to be completed in December 2023.

In 2019 the Justified Trust program was expanded to include Goods and Services Tax (GST) for Top 100 taxpayers. The purpose of this program was to test whether Fortescue reported and paid the right amount of GST in its Business Activity Statements during FY20. The ATO obtained a high level of assurance that Fortescue has paid the right amount of GST, which is again the highest possible rating that can be achieved under the program. As a result, the ATO will adopt a less intensive monitoring approach for the FY21, FY22 and FY23 income years with a full GST refresh review covering the FY24 income year. To date, our high assurance GST rating has been maintained.

We continue to engage transparently and cooperatively with the ATO in respect of all tax matters, including meeting with the ATO on a regular basis throughout the year to provide an update on business performance and significant transactions.

International related party transactions

The ongoing growth and development of our business has led to an increase in cross-border related party transactions.

Consistent with our global tax strategy, all international related party dealings are conducted on arm's length principles, using methodologies prescribed by the Australian transfer pricing laws and the Organisation for Economic Cooperation and Development (OECD) guidelines. We have implemented a Global Transfer Pricing Policy that applies to our international related party transactions, in order to identify as well as comply with our global transfer pricing obligations.

We disclose all material international related party transactions through the lodgement of tax returns and other statutory disclosures to revenue authorities, including our detailed International Dealings Schedules and Country-by-Country reports.

Our Group includes a number of subsidiary entities generating significant revenue that are established in jurisdictions outside of Australia. These are summarised in the table on page 83.

A list of our Group subsidiary entities established in jurisdictions outside of Australia whose activities do not currently generate significant revenue from operations (and therefore significant income tax payments) are summarised in the Data Tables on pages 102-121. We recognise the important impact that paying taxes can have on the social and economic development of local communities. The majority of our entities that do not generate revenue nonetheless pay taxes in their local jurisdiction by way of withholding taxes and Value Added Taxes (VAT) (which are not always creditable back to the entity), providing benefits to the local communities where they operate.

Tax incentives and minimum tax regimes

Governments in various jurisdictions negotiate and implement various forms of tax incentive regimes in order to stimulate foreign investment and economic development. We investigate the availability of such incentives when evaluating potential projects, against the backdrop of ensuring our work contributes positively to the communities in which we operate.

In a future year, we expect to commence applying the OECD's Base Erosion and Profit Shifting Pillar Two rules, which will seek to ensure multinational groups such as Fortescue pay at least 15% tax on their profits in each jurisdiction of operation.

Revenue generating foreign incorporated subsidiary entities

The entities listed below are wholly-owned Fortescue Group entities established and operating in jurisdictions outside of Australia that have generated external revenue greater than A$3 million during the year ended 30 June 2023. All amounts presented below are in Australian dollars. Amounts are translated from the functional currency of the foreign subsidiary into Australian dollars at the average exchange rate for the relevant income year. Accounting profit before tax and taxable income are as per the most recently lodged annual income tax return or provisional income tax return for the period specified.

In addition to the above, Fortescue WAE carries on a technology and engineering business which continues to generate external revenue. Income generated by Fortescue WAE is taxable in the United Kingdom at a corporate income tax rate of 25 per cent. Income tax returns and audited financial statements covering the periods from Fortescue's acquisition of the entity have not been concluded as at the date of this report and therefore excluded from the numerical data presented.

Company	FMG Trading Shanghai Co., Ltd (FMG Trading)	**Accounting profit before tax**	$ 25.1 million
Country/Jurisdiction	China	**Taxable income**	$25.2 million
Functional currency	Renminbi	**Income tax payable in China**	$6.3 million
For the year ended	31 December 2022	**Tax paid in Australia**	$1.3 million
Employees	42		

The key purpose of FMG Trading is to supply iron ore products directly to Chinese customers in smaller volumes, in renminbi, from regional ports in China. Income generated by FMG Trading is taxable in China at a corporate income tax rate of 25 per cent. An additional 5 per cent income tax is payable in Australia to top up the total tax paid to 30 per cent.

Company	FMG Hong Kong Shipping Ltd (FMGHKS)	**Accounting profit before tax**	$12.2 million
Country/Jurisdiction	Hong Kong	**Taxable income**	Nil
Functional currency	US dollars	**Income tax payable in Hong Kong**	Nil
For the year ended	30 June 2022	**Tax paid in Australia**	$3.5 million
Employees	0		

FMGHKS provides iron ore transportation services to another wholly owned Australian subsidiary, FMG Pilbara Pty Ltd, under a Transportation Services Agreement using ore carriers. Income generated by FMGHKS is currently considered 'exempt offshore profits' and is not subject to corporate income tax in Hong Kong at a rate of 16.5 per cent. However, 5 per cent of the freight income generated by FMGHKS is taxed in Australia under the Australian Shipping Regime at a rate of 30 per cent.

Company	FMG International Pte Ltd (FMGI)	**Accounting profit before tax**	$137.6 million
Country/Jurisdiction	Singapore	**Taxable income**	$188.7 million
Functional currency	US dollars	**Income tax payable in Singapore**	$32.1 million
For the year ended	30 June 2022	**Tax paid in Australia**	$23.6 million
Employees	14		

Since 2012, FMGI has managed the majority of Fortescue's shipping services, including chartering activities, voyage operations, technical and crew management, as well as the commercial management of Fortescue's ore carriers. Under the Transportation Operations Agreement, FMGI provides ship management services to FMGHKS. Income generated by FMGI is taxable in Singapore at a corporate income tax rate of 17 per cent. In addition, pursuant to Australia's CFC rules, the majority of FMGI's taxable income in Singapore is attributed back to Fortescue's Australian tax consolidated group and is taxed at 30 per cent.

Company	FMG Insurance Singapore Pte Ltd (FMG Insurance)	**Accounting profit before tax**	$5.2 million
Country/Jurisdiction	Singapore	**Taxable income**	$6.7 million
Functional currency	US dollars	**Income tax payable in Singapore**	$1.1 million
For the year ended	30 June 2022	**Tax paid in Australia**	Nil
Employees	0		

FMG Insurance provides insurance services to the Fortescue Group. Income generated by FMG Insurance is taxable in Singapore at a corporate income tax rate of 17 per cent. No income was attributed to the Fortescue Australian tax consolidated group pursuant to the CFC rules.

OUR SOCIAL INVESTMENT FRAMEWORK

In FY23, we contributed over $101.8 million in social investment

Objective: Deliver value to our communities through strategic social investment

Target: Allocate funding according to priorities set in the community investment strategy

Social investment

FY23	$101.8 million
FY22	$77.4 million
FY21	$63.2 million

Voluntary social investment activities form a critical part of our commitment to build vibrant and thriving communities.

Our programs are guided by our Social Investment Framework, which ensures investment is aligned with community needs, business objectives, our Sustainability Strategy and the SDGs. Our Social Investment Framework is based on the following principles:

- Purposeful – clear objectives, evaluated programs and effective outcomes for the community.
- Accountable – monitor progress and effectiveness of programs and communicate outcomes.
- Respectful – developed and guided by communities, supporting local customs, views and priorities.
- Ethical – sound legal and moral investment in accordance with relevant laws and standards.

These principles guide our investment across four social themes to deliver positive impact and outcomes for the communities where we do business.

Social investment is defined as our investment in philanthropic, community and commercial initiatives. These investments aim to build sustainable communities and focus on areas of health, wellness, education, regional development, environmental responsibility, arts and culture, and providing employment and training opportunities to local and First Nations peoples. Social investment contributions include financial, in-kind contributions and management costs.

Our FY23 voluntary social investment

Who we invest with	FY23 contribution
CORPORATE PARTNERSHIPS	
Our corporate charity partners are selected for their strong alignment with the Fortescue Values. We have long term commitments in place with five corporate charity partners, allowing these charities to plan the most effective use of donated funds: • RFDS • Lifeline WA • MADALAH Limited (MADALAH) • Ronald McDonald House Charities WA (RMH) • The Salvation Army	**$2.4 million** through our long term commitments, **$155,000** in other corporate donations and over **$75,000** in employee workplace giving
COMMUNITY PARTNERSHIPS, DONATIONS AND SPONSORSHIPS	
We support a broad range of community charities and groups, as well as sporting, educational and arts organisations both in Australia and internationally.	**$3.9 million** towards community partnerships, donations and sponsorships

Our FY23 voluntary social investment continued

Who we invest with	Our contribution
COMMUNITY GRANTS	
Operating for 15 years, our Community Grants Program provides funding for local organisations, projects and programs in Pilbara communities. Grants of up to $5,000 are available for eligible projects that support community initiatives within the council boundaries of the Town of Port Hedland, City of Karratha, Shire of Ashburton and Shire of East Pilbara.	80 community grants totalling more than **$294,000** A total of **$2.9 million** has been awarded through this program to date
LOCAL TRAINING PROGRAMS	
We provide Pilbara-based training and development programs, including apprenticeships, traineeships and our VTEC program.	**$62.4 million** on community-based training and development
SUPPORT OF LOCAL RESIDENTIAL EMPLOYEES	
In FY23, we invested $23.2 million in housing support subsidies for 543 regionally based employees in the Pilbara. This includes subsidies for rent, water costs and electricity costs. In addition, over $758,000 was provided to 38 employees under the Pilbara Home Ownership Program. This program applies to Karratha and Port Hedland employees for the purchase of a home that serves as their principal place of residence. We assist with upfront purchase costs (up to $25,000), ongoing mortgage interest payments, electricity and water costs. We invested $4.4 million in FY23 operating charter flights from regional airports at Broome, Kununurra and Karratha to provide a FIFO service to employees and contractors who are based in regional centres. This expenditure also contributes towards sustaining local jobs and activity through employment at Western Australia's regional airports.	Support valued at **$28.4 million** to our local residential employees

Our FY23 in-kind contributions and management costs

Who we invest with	FY23 contribution
IN-KIND CONTRIBUTIONS	
Employee volunteering, use of company equipment, logistical support and donation of products, including: • Patient and staff transport on Fortescue flights for the Earbus Foundation. • Transport for community organisations and First Nations businesses on Fortescue flights • Employee volunteering at charities, including RMH and the Salvation Army. • Support for international community needs in the Democratic Republic of the Congo (DRC), Cameroon and PNG, including support of a River Blindness and Malaria Control Program and provision of humanitarian assistance.	In-kind support to the value of **$249,000**
MANAGEMENT COSTS	
• Community team salaries • Rental costs for community offices	**$3.9 million** in management costs

OUR FIVE CORPORATE CHARITY PARTNERS SHARE A STRONG ALIGNMENT WITH OUR VALUES AND WE ARE PROUD TO SUPPORT THEM WITH SIGNIFICANT, LONG-TERM COMMITMENTS

Royal Flying Doctor Service

FY23 contribution: $1.43 million

In FY22, we launched a new partnership with the RFDS to provide the first aeromedical helicopter service in Western Australia. In the year since its launch, the RFDS Fortescue Heli-med service transported over 120 patients within a 250 kilometre radius of Perth.

The Fortescue Heli-Med Service provides RFDS frontline crews with greater capacity to respond quickly to patients' needs with the most appropriate aircraft. The helicopters are equipped with the most advanced aeromedical equipment in the world and RFDS doctors and flight nurses have undergone additional training for the new aircraft.

The service supports hospital transfers and accesses regional communities, including Bunbury, Jurien Bay, Northam, Narrogin and Margaret River, as well as destinations as close to Perth as Rottnest Island and the Peel region.

Nothing is more important than the health and safety of our team members, their families and the communities in which we operate, and this partnership is a true testament to our culture and Values. Together, we are improving the health equity of people living in remote and regional communities.

As part of our partnership with the RFDS to provide $7 million over five years, we contributed $1.4 million to the organisation in FY23. In addition, $20,000 was donated through our Great Days Program and $7,400 was donated through general corporate donations.

Lifeline WA

FY23 contribution: $311,000

Lifeline WA delivers core suicide prevention and crisis support services and creates opportunities for emotional wellbeing across Western Australia. Through our partnership with Lifeline WA, we are able to provide our site teams access to the Resourceful Mind program, developed in partnership with CME. Resourceful Mind trains participants in how to support peers going through a difficult time. The cohort of trained participants will be in place across our sites and will complement the work of our chaplains.

To support this partnership, we have committed to ongoing support of Lifeline WA, with $750,000 to be donated over three years. In FY23, we contributed $250,000 in corporate funding, $26,000 through Containers for Change, $15,000 for the Lifeline charity ball, $10,000 through the Great Days program and $10,400 through general corporate donations. Beyond our corporate donations, the Fortescue family made significant personal contributions to Lifeline through fundraisers hosted on the Fortescue Heart employee giving platform. Fortescue staff contributed an additional $3,200 through a BBQ for R U OK Day and over $28,000 through the Push-Up Challenge fundraiser held in June 2023.

The Salvation Army

FY23 contribution: $261,000

The Salvation Army supports those experiencing hardship or injustice. This is delivered through a range of programs, including youth services, homelessness services, domestic violence assistance, emergency accommodation and street outreach. Under the three-year partnership, we have committed $750,000 which will ensure the highest level of support and care can continue to be delivered. In addition to our $250,000 corporate charity partnership contribution in FY23, Fortescue donated $5,500 through Containers for Change and a further $5,400 in general corporate donations.

Fortescue team members also got behind Salvation Army, donating an additional $50,000 through workplace giving and our Christmas raffle. In recognition of our support over the years, Fortescue received the Salvation Army's 'Others Award.' The significance of the word 'others' dates back to the Salvation Army's founder, William Booth. While preparing his annual Christmas message to Salvos around the world, General Booth considered how expensive telegraphs were at the time. Therefore his message consisted of one word: O.T.H.E.R.S. The Others Award honours an extraordinary spirit of service to 'others'. The Fortescue family were honoured to be the third recipient in the history of the award.

Ronald McDonald House Charities WA

FY23 contribution: $300,000

Our partnership with Ronald McDonald House Charities WA (RMH), which provides emergency accommodation to regional families with children requiring medical treatment in Perth, was established in 2012. We have committed to ongoing support of RMH, with a minimum of $750,000 to be donated to 2024. We continue to foster a strong partnership with RMH through activities like employee volunteering, Up All Night fundraising and joint visits with the West Coast Fever.

In addition to our corporate charity partnership contribution of $250,000, Fortescue donated nearly $34,000 through Containers for Change,$10,000 through our Great Days Program and $6,400 in general corporate donations.

Finally, the Fortescue family Up All Night team raised a grand total of $168,000 for RMH through their participation in the overnight walking marathon.

MADALAH

FY23 contribution: $255,000

We have partnered with MADALAH to boost education support for Aboriginal students from remote and regional communities in Western Australia. MADALAH works with students to develop their individual leadership potential, provides mentoring, and works with senior secondary and tertiary students to support sustainable career pathway plans and opportunities.

Under the three-year partnership, we have committed $750,000 to the not-for-profit organisation. This funding will directly support eight secondary and four tertiary students from the Pilbara region, to achieve their educational aspirations while receiving ongoing holistic support throughout their journey. In addition to our corporate charity partnership donation of $250,000 in FY23, Fortescue donated nearly $5,400 through general corporate donations.

The Fortescue family also supported MADALAH through purchasing NAIDOC week celebration shirts and copies of the 2023 Diversity Cookbook, ultimately raising nearly $20,000 in FY23.

FORTESCUE SUPPORTED MORE THAN 120 ORGANISATIONS VIA OUR SOCIAL INVESTMENT PROGRAM IN FY23

Netball WA and West Coast Fever

In 2023, Fortescue joined the Green Army as West Coast Fever's Principal Partner for the next four years. Coming off the back of their 2022 Premiership win, the Fever had another fantastic season, with the Green Army showing up in force to games held at RAC Arena. As Australia's most popular female team sport, netball has over 47,000 registered players in WA, including many in the communities in which Fortescue operates. This partnership also supports Netball WA's Aboriginal and Torres Strait Islander Participation and Pathway program, providing focused funding to grow the game amongst First Nations people.

Hockey Australia

Over the past 12 years, Fortescue has partnered with Hockey Australia. This longstanding and successful partnership concluded on 30 June 2023. Over the course of the partnership, Fortescue has contributed over $4 million to support the growth and development of men's and women's high performance hockey in Australia. Both the Kookaburras and the Hockeyroos saw success during this period, including a Commonwealth Games Gold Medal, an Olympic Silver Medal, and multiple top 3 world rankings. Additionally, the Pilbara Community Hockey Program, which began in 2017, has seen over 8,000 children gain exposure to hockey via a series of clinics and carnivals held throughout the region. The legacy of the partnership will undoubtedly be seen in the next generation of hockey players to come out of the Pilbara.

Great Days program

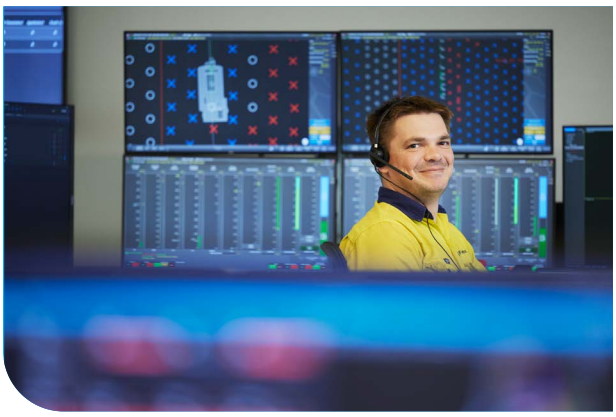
In FY23, Fortescue Projects teams donated a total of $132,550 as part of the Great Days incident free initiative. Developed to meet health, safety, environment and construction KPIs during project execution, this initiative rewards charities when all KPIs are met on any given day, making it a Great Day. Each Great Day has a monetary value that accumulates over the life of the project. Once $10,000 is raised, the project team selects a charity for the donation.

The initiative was first implemented in January 2019 and continued through to the Iron Bridge Magnetite Project, Pilbara Transmission Project and Pilbara Energy Generation Solar Farm Project. During FY23, we supported the following charities: Perth Children's Hospital Foundation, RMH, Make-A-Wish Foundation, Cancer Council WA, Cahoots, Lifeline, Breast Cancer Care WA and the RFDS.

Fortescue Heart

Fortescue Heart, our workplace giving platform, provides the Fortescue family with a convenient way to donate and fundraise with our partner and community charities. Fortescue employees also have the option to support other charities via workplace giving on Fortescue Heart, including Movember, Foodbank WA and SAFE Inc. In total, Fortescue staff contributed $60,000 via workplace giving on Fortescue Heart.

INNOVATION AND TECHNOLOGY



Our Values of generating ideas, stretch targets and empowerment foster an embedded culture of innovation across our workforce, placing our company at the forefront of technological development within the mining industry

When our Train Control Centre opened in 2009, we were the first operation in Western Australia to control a railway from outside the region. Now known as the Fortescue Hive, the expanded, purpose-built remote operations facility includes our planning, operations, and mine control teams, together with port, rail, shipping and marketing teams, enabling us to operate our Pilbara mines from the centre of Perth.

The Hive has since evolved to accommodate our Eliwana plant and mine control teams and Energy Operations team who manage the generation and integrated distribution network for the PEC project.

In October 2020, we completed one of the largest fleet conversions to an autonomous haulage system (AHS) in the industry. We now have over 190 AHS trucks operating across our Solomon and Chichester Hubs. On average, we have seen around a 30 per cent improvement in productivity, reflecting our commitment to increasing operational efficiency through industry leading technology and innovation.

Our shift to AHS has also shown that advancing technologies does not need to occur at the expense of employment. Our focus remains on ensuring that our workforce is prepared for the changing industry landscape through our training and redeployment program, which has successfully transferred or upskilled employees to new roles across the business, resulting in no forced redundancies.

Innovation powering Fortescue Energy

Through Fortescue Energy, we are actively developing for commercialisation the technologies required to support our decarbonisation plans, create green hydrogen and green ammonia, and apply these solutions across hard to abate sectors such as shipping and iron and steel production. Given the considerable challenge in achieving these goals, where expertise does not exist in house, we have initiated a range of partnerships with research organisations and consortiums to accelerate this work.

Cyber security

We aspire to build the cyber resilience Fortescue needs to operate and grow confidently.

Cyber security has been identified as a material operational risk to our business and we work continuously to ensure our operations are protected from potential threats. We adopt an enterprise approach to reducing risk, aligning priorities to build the cyber resilience needed to operate and grow with confidence. Our commitment is supported by a comprehensive Cyber Security Governance Framework, which ensures that:

- Appropriate controls are in place to protect our operations from potential threats.
- A strong culture based on shared responsibility for cyber security exists.
- Cyber security risks are identified and effectively managed.
- Cyber resilience and our ability to detect, respond and recover from cyber incidents are continually improved.

Our Board is responsible for ensuring that internal controls are robust and able to effectively manage cyber security. The ARMSC assists the Board in its oversight of the internal control framework, risk management and compliance by obtaining assurance of the effectiveness of our Cyber Security Control Framework.

Cyber security operations centre

Our 24/7 Cyber Security Operations Centre offers best in class security incident detection, analysis, containment, and mitigation. We analyse billions of system log events and monitor millions of user logins each year. Our program takes a risk-based approach to implement strong defences built upon:

- industry leading technologies
- regular training and awareness for our people
- designing systems with built in security.

We had no major cyber security incidents resulting in data breaches or loss events in FY23. Fortescue was targeted in the global MOVEit cyber breach in May 2023, however, this incident was classified as low impact, given no personal or customer information was stolen and there was no impact to our operations.

Training

All new employees and contractors are required to complete cyber security training before gaining access to our systems. Our cyber awareness program provides ongoing training and updates on cyber best practice.

Assurance

Our auditing and cyber security practices align with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We review and update our cyber security program annually and conduct regular external party assessments of our program aligned with the NIST Cybersecurity Framework.

Our testing program is risk based and includes monthly phishing simulation exercises, monthly password cracking and regular engagement of third party assessors to evaluate the strength of our program through penetration and/or ethical hacking exercises. We rotate the delivery of assessment and testing between a panel of specialist service providers, as well as rotating the types of testing to simulate different conditions and objectives.

A key focus of our cyber resilience strategy is building 'muscle memory' by conducting regular simulation exercises on emerging threats to test and continuously improve our response and recovery capabilities to cyber attacks.

Contributing to the industry and community

We understand that simply defending ourselves is not enough. We must also influence the broader cyber security landscape within which we operate. As such, we collaborate with our suppliers, industry peers, governments, and intelligence agencies on a global scale to share best practices, exchange information about threats, conduct joint exercises, and work to drive the adoption of industry wide standards and approaches that will enable the collective defence of the industries in which we operate against cyber security risks.

We take a leadership role in fostering a culture of sharing among our competitors, championing forums such as the Mining and Metals Information Sharing Analysis Centre.

More information on cyber security is available on our website at **www.fortescue.com**

CORPORATE DIRECTORY

08

Navigational and GRI content index

Fortescue's FY23 Sustainability Report contains General and Topic Disclosures in accordance with the GRI Standards, applying GRI 1: Foundation 2021. It is noted that the GRI sector standard for Mining (GRI 14) is currently under review, with the revised standard expected to be released later this year. This Sector Standard will therefore be applied from our FY24 reporting onward once finalised.

The FY23 Sustainability Report also serves as our Active Level Communications on Progress for the United Nations Global Compact. The navigation index indicates the sections of Fortescue's FY23 Sustainability Report that align with the GRI Standards, the principles of the United Nations Global Compact and the 10 principles of the International Council on Mining and Metals. References to our FY23 Annual Report, FY23 Climate Change Report, FY23 Industry Association Review, FY23 Corporate Governance Statement and FY22 Modern Slavery Statement are provided where information is present in those reports.

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
GRI 2: General Disclosures 2021				
2-1	Organisational details	About this report: page 5		
2-2	Entities included in the organization's sustainability reporting	About this report: page 5	2	
2-3	Reporting period, frequency and contact point	About this report: page 5	10	
2-4	Restatements of information	Corporate directory: page 101		
2-5	External assurance	About this report: page 5	10	
2-6	Activities, value chain and other business relationships	About Fortescue: page 10 Our operations: page 11 Iron ore value chain: page 3 Building sustainable local communities: page 56		
2-7	Employees	FY23 sustainability performance: page 4 Our Fortescue family: page 36 Data tables: page 102		
2-8	Workers who are not employees	About Fortescue: page 10 Data tables: page 102		
2-9	Governance structure and composition	Corporate governance: page 20 FY23 Corporate Governance Statement	1	
2-10	Nomination and selection of the highest governance body	Our Board: page 23 FY23 Corporate Governance Statement		
2-11	Chair of the highest governance body	Our Board: page 23 FY23 Corporate Governance Statement		
2-12	Role of the highest governance body in overseeing the management of impacts	Our Board: page 23 Our approach to sustainability: page 14 FY23 Corporate Governance Statement		
2-13	Delegation of responsibility for managing impacts	Our Board: page 23 Our approach to sustainability: page 14 FY23 Corporate Governance Statement		
2-14	Role of the highest governance body in sustainability reporting	About this report: page 5 Our approach to sustainability: page 14 Corporate governance: page 20 Respecting human rights: page 47 FY23 Climate Change Report		
2-15	Conflicts of interest	Our Board: page 23 FY23 Corporate Governance Statement		
2-16	Communication of critical concerns	Our Board: page 23 FY23 Corporate Governance Statement		

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
GRI 2: General Disclosures 2021				
2-17	Collective knowledge of the highest governance body	Our Board: page 23 Corporate governance: page 20 FY23 Corporate Governance Statement		
2-18	Evaluation of the performance of the highest governance body	Our Board: page 23 FY23 Corporate Governance Statement		
2-19	Remuneration policies	Our Board: page 23 FY23 Annual Report FY23 Corporate Governance Statement		
2-20	Process to determine remuneration	Our Board: page 23 FY23 Annual Report FY23 Corporate Governance Statement		
2-21	Annual total compensation ratio	Data tables: page 102		
2-22	Statement on sustainable development strategy	Chief Executive Officers messages: page 6	2	1,4,5
2-23	Policy commitments	Our Values: inside cover Our approach to sustainability: page 14 Respecting human rights: page 47 Business integrity: page 77 FY22 Modern Slavery Statement	1,2,3	10
2-24	Embedding policy commitments	Embedding policy commitments are noted throughout the report within the text, including: Stakeholder engagement and collaboration: page 25 Respecting human rights: page 47 Business integrity: page 77 FY22 Modern Slavery Statement	2	
2-25	Processes to remediate negative impacts	Our Board: page 23 Stakeholder engagement and collaboration: page 25		
2-26	Mechanisms for seeking advice and raising concerns	Business integrity: page 77		
2-27	Compliance with laws and regulations	Our Values: inside cover Our approach to sustainability: page 14 Business integrity: page 77		
2-28	Membership associations	Memberships and commitments: page 30 FY23 Industry Association Report	2	
2-29	Approach to stakeholder engagement	Stakeholder engagement and collaboration: page 25	4,10	
2-30	Collective bargaining agreements	Our Fortescue family: page 36	3	3
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Materiality: page 16		
3-2	List of material topics	Materiality: page 16		

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Topic: Employee safety and wellbeing				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Employee safety and wellbeing: page 33		
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Employee safety and wellbeing: page 33 Data tables: page 102	4, 5	1
403-2	Hazard identification, risk assessment, and incident investigation	Employee safety and wellbeing: page 33	4, 5	1
403-3	Occupational health services	Employee safety and wellbeing: page 33	5	1
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee safety and wellbeing: page 33	4, 5	1
403-5	Worker training on occupational health and safety	Data tables: page 102	4, 5	1
403-6	Promotion of worker health	Employee safety and wellbeing: page 33	5	1
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee safety and wellbeing: page 33	4, 5	1
403-8	Workers covered by an occupational health and safety management system	Data tables: page 102	5	1
403-9	Work-related injuries	Data tables: page 102	5	1
403-10	Work-related ill health	Data tables: page 102	5	1
GRI 305: Emissions 2016				
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data tables: page 102	4, 5, 6	
Material Topic: Diversity, inclusion and equity				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Diversity, inclusion and equity: page 39		
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Data tables: page 102	3	1, 6
202-2	Proportion of senior management hired from the local community	Data tables: page 102	9	1
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Data tables: page 102	3	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity, inclusion and equity: page 39	3	6
401-3	Parental leave	Diversity, inclusion and equity: page 39	3	6

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Data tables: page 102	5	6
404-2	Programs for upgrading employee skills and transition assistance programs	Our Fortescue family: page 36 Diversity, inclusion and equity: page 39 Data tables: page 102		
404-3	Percentage of employees receiving regular performance and career development reviews	Our Fortescue family: page 36 Data tables: page 102	5	6
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Our Board: page 23 Diversity, inclusion and equity: page 39 Data tables: page 102 FY23 Corporate Governance Statement	3	6
405-2	Ratio of basic salary and remuneration of women to men	Data tables: page 102	3	1, 6
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Diversity, inclusion and equity: page 39 Data tables: page 102	3	1, 6
Material Topic: Respecting human rights				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Respecting human rights: page 47		
GRI 2: General Disclosures 2021				
2-23	Policy commitments	Respecting human rights: page 47	1,2,3	1,2,3,4,6,8,10
2-24	Embedding policy commitments	Respecting human rights: page 47	2	2,4,5,6
GRI 408: Child Labour 2016				
408-1	Operations and suppliers at significant risk for incidents of child labour	Respecting human rights: page 47 FY22 Modern Slavery Statement	3	1,2,5
GRI 409: Forced or Compulsory Labour 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Respecting human rights: page 47 FY22 Modern Slavery Statement	3	1,2,4,5
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	Respecting human rights: page 47 FY22 Modern Slavery Statement	3	1,2

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Topic: Respecting heritage and culture				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Respecting heritage and culture: page 51		
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	Respecting heritage and culture: page 51 Data tables: page 102	3,10	1,2
Additional disclosures				
n/a	Total number of operations taking place in or adjacent to Indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous peoples' communities	Respecting heritage and culture: page 51 Data tables: page 102	3,9	1,2
n/a	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous communities	Respecting heritage and culture: page 51 Data tables: page 102	3,9	1,2
Material Topic: Building thriving communities				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Building thriving communities: page 55		
GRI 413: Local Communities 2021				
413-1	Operations with local community engagement, impact assessments, and development programs	Building thriving communities: page 55 Data tables: page 102	3,9	6
413-2	Operations with significant actual and potential negative impacts on local communities	Building thriving communities: page 55 Data tables: page 102	9,10	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Building thriving communities: page 55 Sustainable procurement: page 17 Data tables: page 102	2,3,4	1,2,3,4,5
414-2	Negative social impacts in the supply chain and actions taken	Building thriving communities: page 55 Sustainable procurement: page 17 Data tables: page 102	2,3,4	1,2,3,4,5
GRI 203: Indirect Economic Impacts 201				
203-2	Significant indirect economic impacts	Building thriving communities: page 55 Data tables: page 102	9	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Building thriving communities: page 55 Data tables: page 102	2,9	6

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Topic: Climate action				
GRI 3: Material Topics 2021				
3-3	Management of material topics	FY23 Climate Change Report		
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	FY23 Climate Change Report	6	8,9
302-2	Energy consumption outside of the organization	FY23 Climate Change Report	6	8,9
302-3	Energy intensity	FY23 Climate Change Report	6	8,9
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	FY23 Climate Change Report	6	8,9
305-2	Energy indirect (Scope 2) GHG emissions	FY23 Climate Change Report	6	8,9
305-3	Other indirect (Scope 3) GHG emissions	FY23 Climate Change Report	6	8,9
305-4	GHG emissions intensity	FY23 Climate Change Report	6	8,9
305-5	Reduction of GHG emissions	FY23 Climate Change Report	6	8,9
GRI 305: Economic Performance 2016				
201-2	Financial implications and other risks and opportunities due to climate change	FY23 Climate Change Report	6	7
Material Topic: Protecting biodiversity				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Protecting biodiversity: page 61		
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting biodiversity: page 61 Data tables: page 102	7	8
304-2	Significant impacts of activities, products and services on biodiversity	Protecting biodiversity: page 61 Data tables: page 102	7	8
304-3	Habitats protected or restored	Protecting biodiversity: page 61 Data tables: page 102	7	8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protecting biodiversity: page 61 Data tables: page 102	7	8

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
GRI 306: Effluents and Waste 2016				
306-3	Significant spills	Protecting biodiversity: page 61 Data tables: page 102	7	8
Additional disclosures				
n/a	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed and rehabilitated	Protecting biodiversity: page 61 Data tables: page 102	6	8
n/a	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Protecting biodiversity: page 61 Data tables: page 102	7	8
n/a	Number and percentage of operations with closure plans	Protecting biodiversity: page 61 Data tables: page 102	6,9	7,8
Material Topic: Protecting water resources				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Protecting water resources: page 65		
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	Protecting water resources: page 65 Data tables: page 102	6	7,8
303-2	Management of water discharge-related impacts	Protecting water resources: page 65 Data tables: page 102	4,6	7,8
303-3	Water withdrawal	Protecting water resources: page 65 Data tables: page 102	6	7,8
303-4	Water discharge	Protecting water resources: page 65 Data tables: page 102	6	7,8
303-5	Water consumption	Protecting water resources: page 65 Data tables: page 102	6	7,8
Material Topic: Building circularity				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Building circularity: page 70		
GRI 304: Waste 2020				
306-1	Waste generation and significant waste-related impacts	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
306-2	Management of significant waste-related impacts	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
306-3	Waste generated	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
306-4	Waste diverted from disposal	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
306-5	Waste directed to disposal	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
Addtional disclosures				
n/a	Report the types of tailings disposal methods used by the organization.	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
n/a	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Building circularity: page 70 Data tables: page 102	4,5,8	7,8,9
Material Topic: Business integrity				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Business integrity: page 77		
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Business integrity: page 77 Data tables: page 102	1	10
205-2	Communication and training about anti-corruption policies and procedures	Business integrity: page 77 Data tables: page 102	1	10
205-3	Confirmed incidents of corruption and actions taken	Business integrity: page 77 Data tables: page 102	1	10
GRI 415: Public Policy 2016				
415-1	Political contributions	Business integrity: page 77 Data tables: page 102	1	10
Material Topic: Economic contribution				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Economic contribution: page 79		
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Economic contribution: page 79 Data tables: page 102	9	
GRI 3: Material Topics 2021				
207-1	Approach to tax	Economic contribution: page 79 Data tables: page 102	1	
207-2	Tax governance, control, and risk management	Economic contribution: page 79 Data tables: page 102	1	
207-3	Stakeholder engagement and management of concerns related to tax	Economic contribution: page 79 Data tables: page 102	1	
207-4	Country-by-country reporting	Economic contribution: page 79 Data tables: page 102	1	

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Topic: Innovation and technology				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Innovation and technology: page 89	1	
Additional disclosures				
n/a	Key approach and key activities	Innovation and technology: page 89 FY23 Climate Change Report	4	
n/a	Number of cyber security incidents resulting in data breaches	Innovation and technology: page 89		

Omissions

GRI Standard	Disclosure	Requirement (s)	Omission reason	Omission explanation
Topic Disclosures				
GRI 404 Training and Education 2016				
404-2	Programs for upgrading employee skills and transition assistance programs	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Information unavailable	Information being recorded internally does not currently align with GRI requirements for this standard. We are working to improve internal record keeping for this information to allow for disclosure in future.
GRI 406 Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	Confidentiality constraints	Fortescue cannot provide the requested level of detail regarding incidents of discrimination as this information relates to a matter which is currently before the courts. Fortescue has instead provided information pertaining to the number of psychosocial matters reported to the regulator.

Restatements

Restatements within the data tables are indicated with an asterix (*) and additional information is provided below.

GRI Standard	Disclosure	Restatement	Explanation
Topic Disclosures			
GRI 2 General Disclosures 2021			
2-21	Annual total compensation ratio	CEO total remuneration was reported as $4.420 million for FY22 in the FY22 Sustainability Report. It has been restated as $7.540 million in this report on page 116.	The calculation methodology was updated in FY23, to reflect the total remuneration package maximum opportunity (including base salary, short term and long term incentives). In FY22, only the base salary and short term incentives were included. The separate components of CEO total remuneration package maximum opportunity are reported in the Executive Contract Terms of each year's Annual Report. No change to the CEO remuneration has occurred, the restatement only reflects a change in calculation methodology.
GRI 303 Water and Effluents 2018			
303-3	Water withdrawal (total)	FY21 Water withdrawal (total) was reported as 0ML for FY21 in the FY22 Sustainability Report. It has been restated in this report as 152,926ML on page 115.	There was a typographical error in the FY22 Sustainability report. Specific withdrawals (via groundwater, seawater and municipal sources) were reported for FY21, allowing the reader to determine the correct total withdrawal figure if required.
303-3	Water withdrawal (seawater)	FY21 Water withdrawal (seawater) was reported as 593ML for FY21 in the FY22 Sustainability Report. It has been restated in this report as 1,810ML on page 115.	An error in the reported data for FY21 seawater withdrawal was identified in early FY23. The number reported reflected the volume of brine produced, rather than the volume of seawater abstracted. This has been corrected and results in a total seawater withdrawal figure of 1,810ML for FY21. This change is not materially significant when considering total withdrawals.
303-4	Water discharge (total by quality)	FY22 water discharge (total by quality) was reported as 132,539ML in the FY22 Sustainability Report. It has been restated in this report as 132,540ML on page 116.	A rounding error in the reported data for FY22 has resulted in a change from 132,539 to 132,540ML. This has been corrected and results in a total seawater withdrawal figure of 1,810ML for FY21. This is not materially significant.
303-5	Water consumed (total and per specific use)	FY22 water consumption (total) was reported as 53,043ML in the FY22 Sustainability Report. It has been restated in this report as 53,041ML on page 115 and errors in allocation between potable supply, dust suppression and construction and other use have been rectified.	Rounding and allocation errors were identified in the data reported for FY22. This has been corrected and results in a total water consumption figure of 53,041ML for FY22 and amendments to the allocation of water consumption between potable, dust suppression/construction and other use. The change to total consumption is not material.
GRI 411: Rights of Indigenous Peoples 2016			
n/a	Number of First Nations Australian employees by gender	FY22 total number of First Nations Australian employees was reported as 1,133 in the FY22 Sustainability Report. It has been restated in this report as 1,113 on page 107.	A typographical error was identified in the data reported for FY22. This has been corrected.

DATA TABLES

Health and Safety - Fortescue

Fatalities by region	FY23	FY22	FY21
Australia	0	1	0
China	0	0	0
South America	0	0	0
Other international	0	0	0
Total	0	1	0

Safety fines by region	FY23 fines (no.)	FY23 Value (A$)	FY22 fines (no.)	FY22 Value (A$)	FY21 fines (no.)	FY21 Value (A$)
Australia	0	0	0	0	0	0
International	0	0	0	0	0	0
Total	0	0	0	0	0	0

Health and Safety - Fortescue Metals

TRIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total	FY21 Total
Australia	1.8	0.9	2.5	1.7	2.0
China	0.0	0.0	0.0	0.0	0.0
South America	4.1	3.0	6.6	7.4	3.5
Other international	4.8	0.0	6.9	0.0	0.0
Total	1.8	0.9	2.6	1.8	2.0

SIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia	2.0	1.7	2.3	2.5
China	0.0	0.0	0.0	0.0
South America	2.1	0.0	6.6	0.6
Other international	0.0	0.0	0.0	0.0
Total	2.0	1.6	2.3	2.5

LTIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia	0.3	0.1	0.5	0.3
China	0.0	0.0	0.0	0.0
South America	4.1	3.0	6.6	3.7
Other international	0.0	0.0	0.0	0.0
Total	0.3	0.2	0.5	0.4

Injury severity rate by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total	FY21 Total
Australia	67	32	95	61	62
China	0	0	0	0	0
South America	58	63	46	134	45
Other international	43	0	62	0	0
Total	67	33	94	61	61

Recordable occupational illness rate by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total	FY21 Total
Australia	0.1	0.1	0.1	0.02	0.0
China	0.0	0.0	0.0	0.0	0.0
South America	0.0	0.0	0.0	0.0	0.0
Other international	0.0	0.0	0.0	0.0	0.0
Total	0.1	0.1	0.1	0.02	0.0

Drug test results (employees, contractors and visitors)	FY23	FY22	FY21
Positive drug test results (%)	0.6	1.9	2.0

Work-related ill health (employees only)	FY23
Fatalities as a result of work-related ill health	0
Cases of recordable work-related ill health	5

Injury Profile Reduction	FY23 Target	FY23 Actual	FY22 Target	FY22 Actual
Exposure risk actions (%)	15	22	15	21

Health and Safety - Fortescue Energy (FFI)

TRIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia and New Zealand	0.0	0.0	0.0	1.0
Africa	0.0	0.0	0.0	0.0
Central Asia	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
Middle East and North Africa	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
South East Asia	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.7

SIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia and New Zealand	0.6	0.6	0.0	1.0
Africa	0.0	0.0	0.0	15.4
Central Asia	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
Middle East and North Africa	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
South East Asia	0.0	0.0	0.0	0.0
Total	0.5	0.6	0.0	1.4

LTIFR by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia and New Zealand	0.0	0.0	0.0	1.0
Africa	0.0	0.0	0.0	0.0
Central Asia	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
Middle East and North Africa	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
South East Asia	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.7

Injury severity rate by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia and New Zealand	2.5	0.0	120.2	1.9
Africa	0.0	0.0	0.0	0.0
Central Asia	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
Middle East and North Africa	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
South East Asia	0.0	0.0	0.0	0.0
Total	2.0	0.0	21.3	1.4

Recordable occupational illness rate by region	FY23 Total	FY23 Employee	FY23 Contractor	FY22 Total
Australia and New Zealand	0.0	0.0	0.0	0.0
Africa	0.0	0.0	0.0	0.0
Central Asia	0.0	0.0	0.0	0.0
Europe	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
Middle East and North Africa	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
South East Asia	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Drug test results	FY23	FY22
Positive drug test results (%)	0.3	0.0

Health and Safety - Fortescue Energy (Fortescue WAE)

TRIFR by region	FY23
Europe	2.0
Other regions	0.0

SIFR by region	FY23
Europe	0.0
Other regions	0.0

LTIFR by region	FY23
Europe	1.0
Other regions	0.0

Recordable occupational illness rate by region	FY23
Europe	0.0
Other regions	0.0

Employment

Number of staff by gender (employees and labour hire)	FY23	FY22	FY21
Male	10,632	9,034	8,023
Female	3,113	2,659	2,141
Total	13,745	11,693	10,164

Number of staff by employee type and gender (employees and labour hire)	FY23 Female	FY23 Male	FY22 Female	FY22 Male
Full Time Employees	2,408	8,818	1,964	7,182
Part Time Employees	169	143	187	342
Fixed Term Full Time Employees	179	285	167	259
Fixed Term Part Time Employees	23	10	15	19
Casual Employees	12	32	3	12
Labour Hire	322	1,344	323	1,220
Total	3,113	10,632	2,659	9,034

Number of staff by region and gender (employees and labour hire)	FY23 Female	FY23 Male	FY22 Female	FY22 Male
Australia	2,808	9,788	2,480	8,660
China	21	23	22	23
South America	54	142	71	177
Other International	230	679	86	174
Total	3,113	10,632	2,659	9,034

Number of staff by employee type and region (employees and labour hire)	FY23 Australia	FY23 China	FY23 S. America	FY23 Other	FY23 Total	FY22 Total
Full Time Employees	10,315	20	168	723	11,226	9,146
Part Time Employees	300	0	0	12	312	529
Fixed Term Full Time Employees	402	23	21	18	464	426
Fixed Term Part Time Employees	29	0	3	1	33	34
Casual Employees	3	0	4	37	44	15
Labour Hire	1,537	1	0	128	1,666	1,543
Total	12,586	44	196	919	13,745	11,693

Number of staff by country and gender (employees and labour hire)	FY23 Female	FY23 Male	FY22 Female	FY22 Male
Australia	2,408	9,778	2,480	8,660
Argentina	42	103	43	100
Brazil	6	13	3	5
Chile	0	6	0	2
China	21	23	22	23
Indonesia	3	2	9	11
Kazakhstan	13	17	12	21
Kenya	6	10	6	7
New Zealand	2	1	2	2
Norway	3	5	0	1
Peru	2	4	2	3
PNG	4	3	8	16
Portugal	7	4	6	4
Singapore	11	7	8	5
United Kingdom	127	498	2	3
USA	18	46	11	39
Other countries	40	112	45	132
Total	3,113	10,632	2,659	9,034

Number of staff by employment category and gender (employees only)	FY23 Total	FY23 Female	FY23 Male	FY22 Female	FY22 Male	FY21 Female	FY21 Male
CEO	3	2	1	2	0	1	0
GM and above	117	34	83	26	74	16	50
Managers	514	126	388	95	321	68	205
Superintendents	822	196	626	143	512	77	361
Supervisors	836	103	733	86	594	64	531
Other (professionals, operators, trades, support staff)	9,787	2,330	7,457	1,984	6,313	1,531	5,345
Total	12,079	2,791	9,288	2,336	7,814	1,757	6,492

Number of staff by age and gender (employees and labour hire)	FY23 Total	FY23 Female	FY23 Male	FY22 Female	FY22 Male	FY21 Female	FY21 Male
≤30 years	2,850	905	1,945	770	1,543	654	1,401
31 – 50 years	8,270	1,813	6,457	1,564	5,533	1,202	4,931
≥51 years	2,625	395	2,230	325	1,958	285	1,691
Total	13,745	3,113	10,632	2,659	9,034	2,141	8,023

Number of staff in specific employment areas (employees and labour hire)	FY23	FY22	FY21
Number of staff that utilised flexible working arrangements	385	565	550
Number of female staff that utilised flexible working arrangements	204	203	184
Females working in the Perth office (%)	38	38	36
Females working in the Hive (%)	37	41	40
Aboriginal people working on Pilbara sites (%)	16	15	14

Females in management positions	FY23	FY22	FY21
Females in senior leadership positions (GM and above) (%)	30	27	25
Females in manager and above positions (Manager and above) (%)	26	24	25
Females in management positions in revenue-generating functions (%)	14	-	-

Board membership by gender	FY23	FY22	FY21
Male	3	4	5
Female	4	4	4

A dash (-) indicates where data has not been reported in previous years.

Number of First Nations employees by gender (employees and labour hire)	FY23	FY22	FY21
Male	920	804	687
Female	369	309	267
Total – global	1,289	1,113*	954
First Nations people within Australia (%)	10	10	10

New employee hires

New employee hires by gender (employees only)	FY23	FY22	FY21
Male	2,499	2,432	1,543
Female	925	945	586
Total	3,424	3,377	2,219

New employee hires by age (employees only)	FY23	FY22	FY21
≤30 years	1,073	1,237	-
31 – 50 years	1,959	2,030	-
≥51 years	392	522	-

New employee hires by region (employees only)	FY23	FY22	FY21
Australia	2,968	3,175	-
China	4	11	-
South America	45	135	-
Other international	407	468	

Employee turnover

Employee turnover (employees only)	FY23	FY22	FY21
Voluntary (%)	10	11	8
Involuntary (%)	1	2	2
Total (%)	11	12	10

Voluntary employee turnover by gender (employees only)	FY23	FY22	FY21
Male (%)	9	10	8
Female (%)	12	12	8

Voluntary employee turnover by region (employees only)	FY23	FY22	FY21
Australia (%)	9	11	-
China (%)	9	3	-
South America (%)	3	4	-
Other international (%)	15	15	-

Voluntary employee turnover by age (employees only)	FY23	FY22	FY21
≤30 years (%)	10	12	-
31 – 50 years (%)	10	10	-
≥51 years (%)	9	12	-

Parental leave (employees only)	FY23	FY22	FY21
Number of employees who took parental leave (primary and secondary, paid and unpaid)	546	433	367
Number of employees who took primary carers parental leave	237	171	141
Number of female employees who took primary carers parental leave	158	119	94
Primary carers parental leave return to work rate (%)	94	97	99
Employees eligible for parental leave (%)	77	73	77
Parental leave 12 month retention rate (%)	80	85	-

A dash (-) indicates where data has not been reported in previous years.

Absentee rate by gender (Australian employees only)	FY23	FY22	FY21
Total (%)	3.2	3.7	4.0

Employee engagement	FY23	FY22	FY21
People Experience Survey (previously named Safety Excellence and Culture Survey) participation (%)	92	95	99

Remuneration – Fortescue Metals Employees	FY23 Total
CEO total remuneration ($)	7,540,000
Mean gender pay gap (%)	-1.2
Median gender pay gap (%)	-1.0
Mean gender pay gap: GM and above (%)	-3.0
Mean gender pay gap: Managers (%)	-5.7
Mean gender pay gap: Superintendent (%)	-3.2
Mean gender pay gap: Supervisor (%)	-1.1
Mean gender pay gap: Professionals, operators, trades, support staff (%)	-1.1
Mean entry level wage to minimum wage (Australia): Female (%)	219
Mean entry level wage to minimum wage (Australia): Male (%)	278
Mean Total Remuneration (excluding CEO) ($)	207,477
Median Total Remuneration (excluding CEO) ($)	199,962

Remuneration – Fortescue Energy (FFI) Employees	FY23 Total
CEO total remuneration ($)	7,250,000
Mean gender pay gap (%)	-1.4
Median gender pay gap (%)	-2.2
Mean gender pay gap: GM and above (%)	3.0
Mean gender pay gap: Managers (%)	-2.1
Mean gender pay gap: Superintendent (%)	-5.5
Mean gender pay gap: Supervisor (%)	-24.8
Mean gender pay gap: Professionals, operators, trades, support staff (%)	-13.5
Mean entry level wage to minimum wage (Australia): Female (%)	228
Mean entry level wage to minimum wage (Australia): Male (%)	264
Mean Total Remuneration (excluding CEO) ($)	262,650
Median Total Remuneration (excluding CEO) ($)	217,005

Remuneration – Fortescue Energy (Fortescue WAE) Employees	FY23 Total
CEO total remuneration ($)	650,000
Mean gender pay gap (%)	-29.0
Median gender pay gap (%)	-13.8

Training and Development – Fortescue Metals and Fortescue Energy (FFI)

Employees receiving regular performance and career development reviews by gender (%)	FY23	FY22	FY21
Male	100	100	100
Female	100	100	100

Employees receiving regular performance and career development reviews by employee category (%)	FY23	FY22	FY21
GM and above	100	100	100
Managers	100	100	100
Superintendents	100	100	100
Others (professionals, operators, trades, support staff)	100	100	100

	Total hours			Average hours per participant	
Total hours of training by gender (employees, contractors and labour hire)	FY23	FY22[1]	FY21[1]	FY23	FY22[1]
Male	626,673	257,183	84,920	16	34
Female	122,054	62,910	75,523	15	28
Gender unidentified	17,719	-	-	13	-
Total	766,446	320,093	160,443	15	33

[1]FY21 and FY22 data included direct employees only (excluded contractors and labour hire)

	Total hours			Average hours per participant	
Total hours of training by employee type	FY23	FY22	FY21	FY23	FY22
Permanent full time	336,023	298,796	150,305	28	33
Permanent part time	4,308	4,925	6,983	12	16
Fixed term (total)	14,991	16,335	3,155	24	40
Fixed term full time	14,256	-	-	24	-
Fixed term part time	735	-	-	19	-
Casual	86	178	-	7	22
Contractor (includes labour hire)	411,035	266,575	-	9	17

	Total hours		Average hours per participant	
Total hours of training by employee category (employees only)	FY23	FY22	FY23	FY22
CEO	3	24	3	24
GM and above	43	694	3	8
Managers	4,253	4,483	8	12
Superintendents	4,321	12,131	11	19
Supervisors and Team Leaders	16,724	38,930	19	32
Others (professionals, operators, trades, support staff)	168,956	261,183	16	36

Total hours of training by region (employees, contractors and labour hire)	FY23	FY22	FY23	FY22
Australia	750,034	543,405	15	15
China	132	351	3	3
South America	383	436	8	12
Other	15,897	48,584	12	29

A dash (-) indicates where data has not been reported in previous years.

Health and safety training in hours by gender and employment type	Total hours			Average hours per participant	
	FY23	FY22	FY21	FY23	FY22
Male employees	52,309	15,558	45,100	8	4
Female employees	10,753	4,231	10,102	7	4
Male contractors and labour hire	36,748	32,300	93,285	3	3
Female contractors and labour hire	4,628	6,694	11,621	3	4

Health and safety training in hours by region	Total hours		Average hours per participant	
	FY23	FY22	FY23	FY22
Australia	104,438	58,475	9	2
China	0	75	0	2
Singapore	1	10	1	1
Ecuador	35	105	9	3
Argentina	9	54	2	1
Portugal	207	53	19	7
Colombia	1	1	1	1
Other	320	491	3	61

Employees who have completed the face to face anti-bribery and corruption training program by region	FY23
Australia	590
China	24
South America	70
Other	82

Employees who have completed the face to face anti-bribery and corruption training program by employee category	FY23
CEO	1
GM and above	30
Managers	135
Superintendent	7
Supervisor	12
Other	581

Native Title and Heritage - Fortescue

Pilbara operations	FY23	FY22	FY21
Pilbara operations only			
Number of operations (including advanced construction)	6	6	6
Number of reportable heritage incidents	0	0	1
Number of heritage places managed	6,552	6,196	6,022
Land ethnographically surveyed in current year (ha)	19,974	12,533	132,439
Land ethnographically surveyed - total (ha)	2,826,507	2,800,464	2,698,833
Land archaeologically surveyed in current year (ha)	13,342	10,926	32,545
Land archaeologically surveyed - total (ha)	312,705	297,328	273,581
Number of Significant Native Title Agreements in place	7	7	7

Non-Pilbara operations	FY23	FY22
Rights of Indigenous people		
Number of operations	1[1]	0[1]
Total number of significant incidents of violations involving the rights of Indigenous peoples	0	0
Number of operations located in or adjacent to Indigenous peoples' territories	0	0
Number of operations located in or adjacent to Indigenous peoples' territories with formal agreements in place	0	0
Percentage of operations located in or adjacent to Indigenous peoples' territories with formal agreements in place	0	0

[1] In FY23, Fortescue WAE manufacturing in the UK was the only non-Pilbara operation, with zero non-Pilbara operational projects in FY22.

Environment and Land - Fortescue Metals

Environmental incidents (Fortescue)	FY23	FY22	FY21
Number of significant environmental incidents	0	0	0

Land (Australia)	FY23	FY22	FY21
Total land owned/leased/managed	5,340,324	5,632,599	-
Total land disturbed (ha)	45,584	41,438	41,888
Total land rehabilitated (ha)	5,964	2,215	3,840

Air	FY23	FY22	FY21
Total NOx emissions (metric tonnes)	12,604	12,689	14,877
Total SOx emissions (metric tonnes)	211	204	195
Total particulate emissions (PM_{10}) (metric tonnes)	90,097	89,436	108,723
Total CO emissions (metric tonnes)	5,998	6,047	6,440
Total mercury (Hg) emissions (metric tonnes)	0.05	0.05	0.04
Total lead (Pb) emissions (metric tonnes)	2.3	2.3	2.4
Total Volatile Organic Compound (VOC) emissions (metric tonnes)	945	955	956
Total POP (metric tonnes)	0	0	-
Total HAP (metric tonnes)	469	428	-

Waste	FY23	FY22	FY21
Total waste (t)	45,351	30,717	26,710
Hazardous waste (t)	10,207	1,596	-
Total waste disposed to landfill (t) (at an on site or off site facility)	8,798	5,191	-
Total hazardous waste disposed to landfill (t) (at an on site facility)	0	0	0
Total hazardous waste disposed to landfill (t) (at an off site facility)	339	-	-
Total waste disposed by other means (t)	0	-	-
Material recycled (%)	81	83	87
Material landfilled (%)	19	17	13

Tailings	FY23	FY22	FY21
Total tailings (dry metric tonnes)	26,245,755	24,927,811	26,818,651

A dash (-) indicates where data has not been provided in previous years.

Critical Biodiversity - Fortescue

Fauna Species	Conservation Significance IUCN	EPBC	Other	Details
Herb Elliott Port Facility				
Green sawfish (*Pristis zijsron*)	CR	VU, MI	Bonn	Present within the Port Hedland Inner Harbour.
Australian humpback dolphin (*Sousa sahulensis*)	VU	MI	Bonn	Present within the Port Hedland Inner Harbour.
Dugong (*Dugong dugon*)	VU	MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Southern giant petrel (*Macronectes giganteus*)	LC	EN, MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Fork-tailed swift (*Apus pacificus*)	LC	MA, MI	CAMBA JAMBA ROKAMBA	Present within the Port Hedland Inner Harbour.
Lesser frigatebird (*Fregata ariel*)	LC	MA, MI	CAMBA JAMBA ROKAMBA	Present within the Port Hedland Inner Harbour.
White-bellied sea eagle (*Haliaeetus leucogaster*)	LC	MA	-	Present within the Port Hedland Inner Harbour.
Barn swallow (*Hirundo rustica*)	LC	MA	CAMBA JAMBA ROKAMBA	Present within the Port Hedland Inner Harbour.
Loggerhead turtle (*Caretta caretta*)	VU	EN, MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Leatherback turtle (*Dermochelys coriacea*)	VU	EN, MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Green turtle (*Chelonia mydas*)	EN	VU, MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Hawksbill turtle (*Eretmochelys imbricata*)	CR	VU, MA, MI	Bonn	Present within the Port Hedland Inner Harbour.
Various Migratory Birds	-	MI	CAMBA JAMBA ROKAMBA Bonn	Migratory wetland bird species protected under international agreements occasionally occur within the Inner Harbour.
Fortescue Railway				
Greater bilby (*Macrotis lagotis*)	VU	VU	-	Present along the mainline railway.
Grey falcon (*Falco hypoleucos*)	VU	VU	-	Present along the mainline railway.
Ghost bat (*Macroderma gigas*)	VU	VU	-	Present along the mainline railway and occasional visitors along Eliana railway.
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	Present along the mainline railway.
Pilbara olive python (*Liasis olivaceus barroni*)	LC	VU	-	Present along mainline and Hamersley line, and occasional visitors along Eliana railway.
Pilbara leaf-nosed bat (*Rhinonicteris aurantia* (Pilbara form))	LC	VU	-	Present along mainline and occasional visitors along Eliana railway.
Cloudbreak Iron Ore Mine				
Grey falcon (*Falco hypoleucos*)	VU	VU	-	
Night parrot (*Pezoporus occidentalis*)	CR	EN	-	Present within Fortescue Marsh located to the south of the mine.
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	Occasional visitor to the north of the mine.
Greater bilby (*Macrotis lagotis*)	VU	VU	-	Occasional visitor to the mine.

	Conservation Significance			
Fauna Species	**IUCN**	**EPBC**	**Other**	**Details**
Christmas Creek Iron Ore Mine				
Grey falcon (*Falco hypoleucos*)	VU	VU	-	
Ghost bat (*Macroderma gigas*)	VU	VU	-	Occasional visitor to the mine.
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	Occasional visitor to the north of the mine.
Greater bilby (*Macrotis lagotis*)	VU	VU	-	
Pilbara olive python (*Liasis olivaceus barroni*)	LC	VU	-	
Solomon Iron Ore Mine				
Ghost bat (*Macroderma gigas*)	VU	VU	-	Occasional visitor to the mine.
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	
Pilbara olive python (*Liasis olivaceus barroni*)	LC	VU	-	
Pilbara leaf-nosed bat (*Rhinonicteris aurantia* (Pilbara form))	LC	VU	-	Recorded in the western extent of the mine.
Eliwana Iron Ore Mine				
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	Recorded within the mine area.
Ghost bat (*Macroderma gigas*)	VU	VU	-	Recorded within the mine area.
Pilbara olive python (*Liasis olivaceus barroni*)	LC	VU	-	Recorded within the mine area.
Pilbara leaf-nosed bat (*Rhinonicteris aurantia* (Pilbara form))	LC	VU	-	Recorded within the mine area.
Iron Bridge Magnetite Project				
Grey falcon (*Falco hypoleucos*)	VU	VU	-	
Northern quoll (*Dasyurus hallucatus*)	EN	EN	-	Recorded within the mine area.
Ghost bat (*Macroderma gigas*)	VU	VU	-	Known roosts within the mine area.
Pilbara leaf-nosed bat (*Rhinonicteris aurantia* (Pilbara form))	LC	VU	-	Known roosts within the mine area.
Greater bilby (*Macrotis lagotis*)	VU	VU	-	Recorded to the west of the mine area.
Pilbara olive python (*Liasis olivaceus barroni*)	LC	VU	-	Recorded within the mine area.

IUCN: IUCN Red List of Threatened Species

EPBC: Threatened species under the *Environment Protection and Biodiversity Conservation Act 1999*

LE: least concern, NT: near threatened, VU: vulnerable, EN: endangered, CR: critically endangered, MI: migratory, MA: marine

Flora and Vegetation	Conservation Significance	Details
Herb Elliott Port Facility		
Themeda grasslands (Themeda Sp. Hamersley Station (M.E. Trudgen 11431)) on cracking clays (Hamersley Station, Pilbara)	Threatened ecological community. Critically Endangered (CR) under WA *Biodiversity Conservation Act 2016*	Occurs in southern borefield of Solomon Hub and along the Eliwana Railway.
Mangrove assemblages	Local significance	Local occurrence of mangrove assemblages, providing habitat to wide range of vertebrate and invertebrate fauna.
Iron Bridge Magnetite Project		
Pilbara foxglove (*Quoya zonalis*)	*Biodiversity Conservation Act 2016* – Threatened *Environment Protection and Biodiversity Conservation Act 1999* - Endangered	Occurs within the mine area.

Other Biodiversity	Conservation Significance	Details
Cloudbreak and Christmas Creek Iron Ore Mines		
Fortescue Marsh	Wetland of national significance listed on the Directory of Important Wetlands of Australia. Provides habitat for migratory wetland bird species and is a significant breeding area for several non-migratory wetland bird species.	Located adjacent to our Chichester Hub mines.
Solomon Iron Ore Mine		
Karijini National Park	National Park. Karijini offers a diverse range of landscapes, including deep rugged gorges, waterfalls and pools.	Located immediately adjacent to Solomon mine.

Water - Fortescue

Water withdrawals (ML)	Areas where water stress is < High			Areas where Water Stress is ≥ High		
	FY23	FY22	FY21	FY23	FY22	FY21
Water withdrawal (total)	158,325	185,906	152,926*	245	144	0
Surface water withdrawal (total)	0	1	0	0	0	0
Surface water withdrawal (fresh)	0	1	0	0	0	0
Surface water withdrawal (other)	0	0	0	0	0	0
Rainwater collected	0	0	0	0	0	0
Groundwater withdrawal (total)	155,928	183,037	151,093	245	144	0
Groundwater withdrawal (fresh)	25,487	21,699	17,251	245	144	0
Groundwater withdrawal (other)	130,441	161,338	133,842	0	0	0
Groundwater Withdrawal for mine dewatering at Chichester Hub	117,491	151,389	-	0	0	-
Seawater withdrawal	1,964	1,839	1,810*	0	0	0
Produced water withdrawal (total)	0	0	-	0	0	-
Produced water withdrawal (fresh)	0	0	-	0	0	-
Produced water withdrawal (other)	0	0	-	0	0	-
Third-party municipal water supplies, other public or private water utilities (total)	433	36	23	0	0	-
Third party municipal water supplies, other public or private water utilities (surface water)	0	0	-	0	0	-
Third party municipal water supplies, other public or private water utilities (groundwater)	49	35	-	0	0	-
Third party municipal water supplies, other public or private water utilities (seawater)	0	0	-	0	0	-
Third party municipal water supplies, other public or private water utilities (produced water)	0	0	-	0	0	-
Third party municipal water supplies, other public or private water utilities (source unspecified)	384	1	-	0	0	-
Other third-party withdrawal	0	0	0	0	0	0
Water sources significantly affected by withdrawal of water	0	0	0	0	0	0

Water consumed (ML)	Areas where water stress is < High			Areas where Water Stress is ≥ High		
	FY23	FY22	FY21	FY23	FY22	FY21
Water consumed (total)	55,200	53,041*	53,947	245	144	-
Ore processing facilities	38,302	36,412	36,461	186	0	-
Potable use	2,613	1,828*	1,983	0	0	-
Dust suppression and construction	14,285	13,808*	15,503	59	144	-
Other use	0	993*	-	0	0	-
Water consumed (total by quality)	55,200	53,041*	53,947	245	144	-
Total water consumed (fresh)	33,598	33,641	-	0	0	-
Total water consumed (other)	21,602	19,400	-	245	144	-

Water reused (ML)	FY23	FY22	FY21
Water reuse (total)	5,380	4,131	3,610
TSF decant return water, reused at OPF	5,380	4,131	3,610

A dash (-) indicates where data has not been reported in previous years.

Water discharge (ML)	Areas where water stress is < High			Areas where Water Stress is ≥ High		
	FY23	FY22	FY21	FY23	FY22	FY21
Water discharge (total by destination)	105,509	132,540	100,240	0	0	-
Managed aquifer recharge (groundwater injection) (total)	98,577	125,860	95,819	0	0	-
Managed aquifer recharge (groundwater injection) (Chichester Hub)	98,473	125,728	-	0	0	-
Surface water discharge	0	0	0	0	0	0
Seawater discharge (brine from desalination plants)	1,115	1,139	1,108	0	0	-
Supplementation	3,666	3,245	2,348	0	0	0
Infiltration (discharge to land)	58	162	993	0	0	-
WWTP irrigation (discharge to land)	871	933	-	0	0	-
Evaporation and seepage	1,222	1,201	1,081	0	0	-
Third party	0	0	0	0	0	-
Third party water sent for use in other organisations	0	0	0	0	0	-
Water discharge (total by quality)	105,509	132,540*	-	0	0	-
Total water discharge (fresh)	4,799	4,472	-	0	0	-
Total water discharge (other)	100,710	128,067	-	0	0	-

Economic Contribution - Fortescue

Taxes paid ($ million)	FY23	FY22	FY21
Company taxes	3,516	3,544	5,805
Royalties	1,670	1,560	2,075
Foreign	31	35	20

Salaries and benefits ($ million)	FY23	FY22	FY21
Fortescue Metals CEO Total Remuneration	7.540	7.540*	7.250
Fortescue Energy CEO Total Remuneration	7.250	2.946	2.887
Mean Total Remuneration (excluding CEO) - Fortescue Metals	0.207	0.205	-
Median Total Remuneration (excluding CEO) - Fortescue Metals	0.200	0.200	-
Mean Total Remuneration (excluding CEO) - Fortescue Energy	0.263	-	-
Median Total Remuneration (excluding CEO) - Fortescue Energy	0.217	-	-
Total salaries	1,858	1,486	1,211
Total superannuation	192	153	125

Other metrics($ million)	FY23	FY22	FY21
Amount of housing support	24	23	17

A dash (-) indicates where data has not been reported in previous years.

Procurement – Fortescue Metals and Fortescue Energy (FFI)

Procurement spend	FY23
Total contestable spend ($)	9,940,170,826
Procurement spend with Australian entities (%)	95.8
Procurement spend with WA suppliers (%)	67.7
Procurement spend with Pilbara suppliers (%)	1.8

International procurement spend – Top 3 countries	FY23
Procurement spend USA (%)	1.0
Procurement spend China (%)	0.7
Procurement spend Argentina (%)	0.5
Other international spend	2.0

Supply chain	FY23
Tier 1 suppliers	3,994
Critical Tier 1 supplies	144
Total spend on Critical Tier 1 suppliers (%)	54
Suppliers engaged (Australia)	2,585
Suppliers engaged (international)	1,409

Other foreign incorporated subsidiary companies

Each of the entities listed below are wholly owned Fortescue Group entities incorporated in jurisdictions outside of Australia as at 30 June 2023. This table includes those entities which did not generate external revenue during FY23, as well as those which generated less than $3 million in external revenue in FY23.

Entities that generated external revenue greater than A$3 million during the year are listed in the Economic Contribution section on page 83 of this report.

Nature of Activities	Entities	Additional information
Argentina		
Exploration	• Argentina Fortescue S.A.U. • Argentina Minera S.A. • Viridi S.A.	Each of these entities hold rights to explore for minerals in Argentina.
Renewable Energy	• Argentina Fortescue Future Industries S.A.	Incorporated during FY22 to pursue renewable energy generation opportunities in Argentina.
Brazil		
Exploration	• Brasil Fortescue Mineração Limitada	Incorporated to pursue metals exploration opportunities in Brazil.
Renewable Energy	• Brasil Fortescue Sustainable Industries Limitada	Incorporated during FY22 to pursue renewable energy generation opportunities in Brazil.
Cameroon		
Renewable Energy	• Cameroon Fortescue Future Industries SAS	Incorporated during FY22 to pursue renewable energy generation opportunities Cameroon.
Canada		
Renewable Energy	• Canada Fortescue Future Industries Ltd	Incorporated during FY22 to pursue renewable energy generation opportunities in Canada.
Chile		
Exploration	• Chile Fortescue SpA	Incorporated to pursue metals exploration opportunities in Chile.
Renewable Energy	• Chile Fortescue Future Industries SpA	Incorporated during FY22 to pursue renewable energy generation opportunities in Chile.
Colombia		
Exploration	• Colombia Fortescue SAS	Incorporated to pursue metals exploration opportunities in Colombia.
Democratic Republic of Congo		
Renewable Energy	• Democratic Republic of Congo Fortescue Future Industries Ltd	Incorporated to pursue renewable energy generation opportunities in the DRC.
Ecuador		
Exploration	• Ecuador Fortescue S.A.	Incorporated to pursue metals exploration opportunities in Ecuador.
Ethiopia		
Renewable Energy	• Fortescue Future Chemicals Manufacturing Ethiopia PLC	Incorporated during FY22 to pursue renewable energy generation opportunities in Ethiopia.

Nature of Activities	Entities	Additional information
Greenland		
Renewable Energy	• Greenland Fortescue A.S.	Incorporated to pursue renewable energy generation opportunities in Greenland.
Hong Kong		
Magnetite	• FMG Iron Bridge Limited	In 2013, Fortescue and Formosa Plastics Group (Formosa) announced a joint venture to develop and operate the Iron Bridge Project located in Western Australia, Australia.
Indonesia		
Renewable Energy	• PT Indonesia Fortescue Infrastructure • PT Indonesia Papua Fortescue Future Industries	Incorporated to pursue renewable energy production opportunities in Indonesia.
Jordan		
Renewable Energy	• Fortescue Future Industries Pty Ltd.	Incorporated during FY22 to pursue renewable energy generation opportunities in Jordan.
Kazakhstan		
Exploration	• Kazakhstan Fortescue LLP • Kazakhstan Fortescue Operations LLP	Incorporated to pursue metals exploration opportunities in Kazakhstan. Kazakhstan Fortescue Operations LLP is the operator of the Fortescue Kazakhstan and National Mining Company 'Tau-ken Samruk' JSC unincorporated joint venture (the UJV). The purpose of the UJV is to pursue metals exploration opportunities in Kazakhstan.
Renewable Energy	• Kazakhstan Fortescue Future Industries Limited	Incorporated during FY22 to pursue renewable energy generation opportunities in Kazakhstan.
Kenya		
Renewable Energy	• Fortescue Future Industries Kenya Ltd	Incorporated during FY22 to pursue renewable energy generation opportunities in Kenya.
Namibia		
Renewable Energy	• Fortescue Future Industries Namibia Proprietary Ltd	Incorporated during FY22 to pursue renewable energy generation opportunities in Namibia.
Netherlands		
Corporate	• Netherlands Fortescue Future Industries Holdings B.V.	Incorporated during FY23. The primary purpose of this entity is to hold Fortescue investments.
New Zealand		
Renewable Energy	• New Zealand Fortescue Future Industries Limited	Incorporated to pursue renewable energy generation opportunities in New Zealand.
Norway		
Renewable Energy	• Norway Fortescue Future Industries AS	Incorporated during FY22 to pursue renewable energy generation opportunities in Norway.
Peru		
Exploration	• Peru Fortescue S.A.C.	Incorporated to pursue metals exploration opportunities in Peru.

Nature of Activities	Entities	Additional information
Portugal		
Exploration	• Portugal Fortescue Unipessoal LDA	Incorporated to pursue metals exploration opportunities in Portugal.
Papua New Guinea		
Exploration	• Bougainville Fortescue Limited	Incorporated to pursue metals exploration opportunities in the autonomous region of Bougainville of Papua New Guinea.
Renewable Energy	• Papua New Guinea Fortescue Future Industries Ltd	Incorporated to pursue renewable energy generation opportunities in Papua New Guinea.
Singapore		
Investment	• Fortescue International Marketing Pte Ltd • FMG International Shipping Pte Ltd • FMG Ecuador Operations Pte Ltd • FMG Ecuador Tenements Pte Ltd • FMG South America Pte Ltd • FMG Colombia Operations Pte Ltd • FMG International Exploration Pte Ltd	Fortescue has a number of companies incorporated and domiciled in Singapore. The primary purpose of these entities is to hold Fortescue investments.
Decarbonisation	• PSV Leveque Pte Ltd	Incorporated during FY22 to acquire a platform supply vessel for the purpose of trialling its conversion from diesel powered to a dual diesel and green ammonia-fuel.
South Africa		
Renewable Energy	• South Africa Fortescue Future Industries Pty Ltd	Holds Fortescue's investment in the Democratic Republic of Congo relating to renewable energy generation opportunities.
United Arab Emirates		
Renewable Energy	• Fortescue Future Industries Middle East Management Limited	Incorporated during FY23 to pursue renewable energy generation opportunities in the United Arab Emirates.
United Kingdom		
Renewable Energy	• Fortescue Future Industries Scotland Limited	Incorporated during FY23 to pursue renewable energy generation opportunities in Scotland.
Corporate	• Fortescue Future Industries United Kingdom Holdings Limited	Incorporated during FY23. The primary purpose of this entity is to hold Fortescue investments.

Nature of Activities	Entities	Additional information
USA		
Corporate	• FMG America Finance Inc • FFI Phoenix Hub Holdings LLC • FFI USA Investments Inc • Fortescue Global Asset Management LLC • FGAM Holdings Inc	FMG America Finance Inc has been Fortescue's registered issuer of certain US dollar debt facilities. FFI Phoenix Hub Holdings LLC was incorporated in FY23 to hold the shares in Phoenix Hydrogen Hub LLC. FFI USA Investments Inc was incorporated during FY23. The primary purpose of this entity is to hold Fortescue investments. Fortescue Global Asset Management LLC was incorporated during FY23. The primary purpose of this entity is to be the investment manager for a US-based investment fund. FGAM holdings was incorporated during FY23. The primary purpose of this entity is to hold Fortescue investments.
Technology	• WAE Technologies US LLC	Incorporated during FY23. The primary purpose of this entity is for Fortescue WAE to expand into the United States.
Renewable Energy	• MIH2 USA, Inc. • MIH2 USA People, Inc. • FFI Ionix, Inc. • FFI Ionix IP, Inc. • USA Fortescue Future Industries Inc.	MIH2 USA, Inc. was incorporated in FY22 to hold FFI's investments related to renewable energy technologies in the USA, including FFI Ionix and FFI Ionix IP which were also incorporated in FY22 to hold the assets acquired from Xergy, Inc. MIH2 USA People, Inc. is the employing entity for FFI and its related entities in the USA. USA Fortescue Future Industries, Inc.'s purpose is to pursue renewable energy generation opportunities in the USA.
Zambia		
Exploration	• Fortescue Zambia Limited	Incorporated during FY22 pursue metals exploration opportunities in Zambia.

GLOSSARY

Absentee rate

The number of absence days Australian direct employees accessed for personal leave (paid and unpaid), compassionate leave, or absent without leave as a percentage of their overall days rostered to work during FY23.

AHS

Autonomous haulage system.

AMD

Acid and/or metalliferous drainage.

AMEC

Association of mining and exploration companies.

ARMSC

Audit, Risk Management and Sustainability Committee. A committee of Fortescue's Board of Directors (Board).

ASX

Australian Securities Exchange.

ATO

Australian Taxation Office.

Board membership

Members of Fortescue's Board of Directors, who are elected in accordance with Fortescue's Constitution and the *Corporations Act 2001* (Cth).

Billion Opportunities

A Fortescue program to award contracts and subcontracts to First Nations Australian businesses. From 2011 to 2019, businesses with 25 per cent or greater First Nations Australian ownership were considered First Nations Australian businesses. From 2020, businesses with 50 per cent or greater First Nations Australian ownership are considered First Nations Australian businesses.

CEO Remuneration

Nominal value of total remuneration package maximum opportunity, as stated within Executive Contract Terms in the relevant Annual Report.

CFC

Controlled foreign company.

Chichester Hub

Fortescue's mining hub with two operating iron ore mines, Cloudbreak and Christmas Creek, located in the Pilbara, approximately 250km south-east of Fortescue's Herb Elliott Port in Port Hedland.

CME

Chamber of Minerals and Energy.

Contestable spend

Spend (includes VAT/GST) that is subject to Fortescue's procurement processes and managed in accordance with Fortescue's Procurement Policy. It excludes shipping costs, government costs or charges (including royalties), donations, subscriptions and memberships, Native Title Group payments (other than payments made for the provision of direct goods or services), property leasing, related Fortescue entities and legal fees.

Contractors

Non-Fortescue employees working with the Company to support specific business activities. Excludes those classified as labour hire.

Critical biodiversity

Sites containing globally or nationally important biodiversity, which can include species classified as Critically Endangered, Endangered, or Vulnerable on the IUCN Red List, endemic species, internationally recognised areas such as World Heritage sites, Ramsar Wetlands, UNESCO biosphere reserves, nationally important biodiversity such as legally protected areas, habitats, and species.

Critical supplier

A critical supplier is a provider of critical components to our operations; high-volume consumables; or non-substitutable goods.

Direct employees

Total number of permanent and fixed term (full-time and part-time) employees. Does not include labour hire or contractors.

dmt

Dry metric tonne.

DRC

Democratic Republic of Congo

EAP

Employee Assistance Program.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation and amortisation, exploration, development and other expenses.

Employee contributions

Financial contributions donated by Fortescue employees, including workplace giving through Fortescue Heart.

Employee turnover (involuntary)

The number of involuntary exits through dismissals of permanent and fixed term (full time and part time) employees as a percentage of the average headcount for FY23.

Employee turnover (voluntary)

The number of voluntary exits through resignations of permanent and fixed term (full time and part time) employees as a percentage of the average headcount for FY23.

EMS

Environmental management system.

Employee turnover (voluntary)

The nu

eNPS

Employee Net Promoter Score.

Female employment rate

The number of female permanent, fixed term (full time and part time), and labour hire employees who work across Fortescue's Australian and international sites, as a percentage of the total number of permanent, fixed term and labour hire employees. Calculated using data as at 30 June 2023.

Female employment rate in manager and above roles

The number of female, permanent and fixed term (full time and part time) employees, in roles defined as supervisor and above who work across Fortescue, as a percentage of the total number of permanent and fixed term employees. This does not include labour hire employees. Calculated using data as at 30 June 2023.

Female employment rate in senior leadership roles

The number of female, permanent and fixed term (full time and part time) employees, in roles defined as group/general manager and above who work across Fortescue, as a percentage of the total number of permanent and fixed term employees. This does not include labour hire employees. Calculated using data as at 30 June 2023.

FFI

Fortescue Future Industries Pty Ltd.

First Nations Australian

Those who identify themselves as Australian Aboriginal and/or Torres Strait Islander.

First Nations Australian employment rate

The number of permanent, fixed term (full time and part time), and labour hire First Nations Australian employees who work in Australia, as a percentage of the total number of permanent, fixed term (full time and part time), and labour hire employees who work in Australia. Calculated using data as at 30 June 2023.

First Nations Australian people employed

Total number of permanent, fixed term (full time and part time), and labour hire First Nations Australian (Aboriginal and Torres Strait Islander) employees as at 30 June 2023.

First Nations owned businesses

A business with equal to or greater than 50 per cent ownership by an entity registered as an Aboriginal Corporation by the Office of the Registrar of Indigenous Corporations, a member of a registered native title group, a member of the Aboriginal Chamber of Commerce and Industry, a Supply Nation Registered and Certified Supplier or a member of the Indigenous Land and Sea Council.

FIFO

Fly-in fly-out, defined as circumstances of work where the place of work is sufficiently isolated from the worker's place of residence to make daily commute impractical and workers are flown to their workplace for their shift.

Flexible working arrangements

Number of Fortescue employees in Australia utilising casual, part time or job share work arrangements. It does not include labour hire. Requests for flexible working arrangements are in accordance with the *Fair Work Act 2009* (Cth).

Fortescue

Fortescue Metals Group Ltd (ACN 002 594 872) and its subsidiaries.

Fortescue WAE

WAE Technologies Limited (previously Williams Advanced Engineering).

FPIC

Free, prior and informed consent.

Freshwater

Water with concentration of total dissolved solids equal to or below 1,000mg/L.

FY

Financial Year.

GMC

Global Monitoring Centre.

Green Hydrogen Standard

The Global Standard for Green Hydrogen and Green Hydrogen Derivatives including Green Ammonia. Produced by the Green Hydrogen Organisation (GH2) in 2023.

Green metals

Metals that have been extracted from the ground without the use of fossil fuels during the extraction process. Specifically, this means using haul trucks, drills, excavators and other equipment that runs on battery-electric (charged by renewable electricity) or green hydrogen-based technologies.

GRI

Global Reporting Initiative. GRI is an independent international organisation which provides companies with a framework to advance their sustainability agenda. The GRI Standards set a global best practice for reporting on economic, environmental and social impacts.

GWh

Gigawatt hours.

Ha

Hectares.

HAP

Hazardous air pollutants. Those pollutants that are known or suspected to cause cancer or other serious health effects, such as reproductive effects or birth defects, or adverse environmental effects. Listed by the US Environmental Protection Agency under the *Clean Air Act* (USA).

Health and safety training hours

Total training hours for health and safety recorded during FY23 for permanent and fixed term (full time and part time) employees across all of Fortescue's Australian sites. Excludes casual employees.

Hematite

An iron ore compound with an average iron content of between 57% and 63% Fe. Hematite deposits are typically large, close to the surface and mined via open pits.

ICMM

The International Council on Mining and Metals, established in 2001 to act as a catalyst for performance improvement in the mining and metals industry.

IFC

International finance corporation.

ILO

International Labour Organization.

ILUA

Indigenous Land Use Agreement. A Statutory agreement between a native title group and others about the use of land and waters.

In-kind contributions

Donation of product, property and services by Fortescue, which includes employee time volunteering, secondments, use of company equipment and facilities as well as the donation of products.

ISFR

Injury severity frequency rate. Calculated using lost or restricted days methodology.

IUCN

International Union for Conservation of Nature.

km

Kilometre.

KPI

Key performance Indicator

Labour hire employees

Contractors backfilling permanent Fortescue roles and employed through selected recurring external labour hire agencies.

Land archaeologically surveyed in FY23

The area of land archaeologically surveyed across Fortescue's Western Australian tenement portfolio in FY23, measured in hectares. Surveys are undertaken by traditional land owners and a cultural heritage professional.

Land ethnographically surveyed in FY23

The area of land ethnographically surveyed across Fortescue's Western Australian tenement portfolio during FY23, measured in hectares. The survey is undertaken by traditional land owners and a cultural heritage professional.

Leadership roles held by First Nations Australian people

The number of permanent and fixed term (full time and part time) First Nations Australian employees in roles defined as supervisor and above who work in Australia, as a percentage of the total number of permanent and fixed term employees in roles defined as supervisor and above who work in Australia. This does not include labour hire employees. Calculated using data as at 30 June 2023.

LEAP

Leadership empowerment for Aboriginal people.

Local Pilbara supplier

Suppliers whose head office is located in the Pilbara region of Western Australia as defined by postcode.

Lost or restricted days

A maximum of 180 lost or restricted days are allocated to any one single incident with the exception of a fatality which is always recorded as 220 days. When counting lost or restricted days, only rostered days of work are counted.

LSI

Leading Safety Index.

LTIFR

Lost time injury frequency rate. Calculated using lost days methodology.

m^3

Cubic metres.

MADALAH

MADALAH Limited.

Magnetite

An iron ore compound that is typically a lower iron content than hematite iron ore. Magnetite ore requires significant beneficiation to form a saleable concentrate. After beneficiation, magnetite ore can be palletised for direct use as a high-grade raw material for steel production.

Material landfilled

The volume of waste sent to landfill from Fortescue's Pilbara operations, including port and rail, as a percentage of the total volume of waste generated. Waste landfilled includes putrescible, glass and wooden damaged pallets.

Material recycled

The volume of waste recycled from Fortescue's Pilbara operations, including port and rail, as a percentage of the total volume of waste generated. Waste recycled includes non-hazardous waste (including wood, rubber, aluminium, steel, batteries, cardboard and high-density polyethylene pipe) and hazardous waste (oil filters).

mtpa

Million tonnes per annum.

MW

Megawatts

Nationality

Nationality as self reported during the onboarding process.

NGO

Non-government organisation.

NIST

National Institute of Standards and Technology

Number of heritage places managed

Total number of active recorded heritage places across Fortescue's exploration and operations in Western Australia. Heritage places are managed through physical demarcation and through our geographic information system.

Number of reportable heritage incidents

Total number of reportable heritage breaches reported during FY23. Breaches are defined as offences relating to Aboriginal sites in accordance with the *Aboriginal Heritage Act 1972*.

Number of staff by employment category

Number of permanent and fixed term (full time and part time) employees across our Australian and international sites within each of the following employment categories: CEO, General Manager and above, Manager, Superintendent, Supervisor, and Other as at 30 June 2023. It does not include casual and labour hire employees.

Number of staff by region

Total number of permanent, fixed term (full time and part time), and labour hire employees by region as at 30 June 2023.

OPF

Ore processing facility.

Parental leave

Paid and unpaid primary or secondary carer leave taken for the purpose of caring for dependents in Australia during FY23.

PEC

Pilbara Energy Connect project.

PFDVN

Pilbara Family and Domestic Violence Network.

PHIC

Port Hedland Industries Council.

Pilbara

The Pilbara region in the north-west of Western Australia.

POP

Persistent organic pollutants. Listed in the Stockholm convention on Persistent Organic Pollutants. Most are pesticides, industrial chemicals or by-products.

Principles and recommendations

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Produced water

Water that is a result of raw material use or other processing.

R&D

Research and development.

RFDS

Royal Flying Doctors Service of Western Australia.

Scope 1

Scope 1 emissions are direct emissions that are from sources owned or controlled by an entity.

Scope 2

Scope 2 refers to emissions associated with the production of electricity, heat, or steam. Purchased by an entity.

Scope 3

Scope 3 refers to all other indirect emissions associated with activities or facilities not owned or controlled by the entity.

Significant environmental incidents

Incidents classified at Level 3 and above (as defined through Fortescue's Environmental Consequence Descriptors Matrix). Level 3 environmental incidents result in offsite environmental impact causing significant environmental harm.

SIFR

Significant incident frequency rate per million hours worked.

Social investment in our communities

Our investment in philanthropic, community and commercial initiatives. These investments aim to build sustainable communities and focus on areas of health, wellness, education, regional development, environmental responsibility, arts and culture and providing employment and training opportunities to local and First Nations people. Contributions include financial (donations, grants, employee contributions, matched giving, partnerships, local training programs, support for local communities and Pilbara residential FIFO employees), in-kind contributions (volunteering, use of company equipment, logistical support and donation of products) and management costs (community investment staff salaries and overheads).

Solomon Hub

A mining hub with two operating iron ore mines, Firetail, Kings and Queens. The Hub is located approximately 60 kilometres north of the township of Tom Price and 120 kilometres west of the railway that links the Chichester Hub to Port Hedland.

TCFD

Taskforce on Climate-related Financial Disclosures

TNFD

Taskforce on Nature-related Financial Disclosures

Training hours

Total training hours recorded during FY23 for permanent and fixed term (full time and part time) employees across all of Fortescue's sites. Excludes casual employees.

Training hours per employee

The total number of hours of training per permanent and fixed term employees (full time and part time) across Fortescue's sites during FY23. Excludes casual employees.

Total global economic contribution

Payments that contribute to the global economy, including payments to suppliers, employees (salaries and wages), governments (taxes and royalties), shareholders and investors (dividends and debt repayments).

Total land archaeologically surveyed

The cumulative area of land archaeologically surveyed across Fortescue's Western Australian tenement portfolio to the end of FY23, measured in hectares. Surveys are undertaken by traditional land owners and a cultural heritage professional.

Total land disturbed

The total land area disturbed through clearing across Fortescue's Australia operations, in 2022 (calendar year) measured in hectares. Land disturbance is measured in accordance with reporting requirements under the *Mining Act 1978*.

Total land ethnographically surveyed

The cumulative area of land ethnographically surveyed across Fortescue's Western Australian tenement portfolio to the end of FY23, measured in hectares. Surveys are undertaken by traditional land owners and a cultural heritage professional.

Total land rehabilitated

The total land area rehabilitated across Fortescue's Australia operations, in 2022 (calendar year), measured in hectares. The land area rehabilitated is measured in accordance with reporting requirements under the *Mining Act 1978*.

Total NOx emissions

The total oxides of nitrogen emissions across Fortescue's Pilbara operations, including port and rail, in FY23, measured in metric tonnes. Emissions are measured in accordance with the reporting requirements of National Environment Protection (National Pollutant Inventory) Measure 1998.

Total particulate emissions

The total particulate matter (PM_{10}) emissions across Fortescue's Pilbara operations, including port and rail, in FY23, measured in metric tonnes. PM_{10} are very small particles found in dust and smoke. They have a diameter of 10 micrometres (0.01 mm) or smaller.

Total SOx emissions

The total sulphur dioxide emissions across Fortescue's Pilbara operations, including port and rail, in FY23, measured in metric tonnes. Emissions are measured in accordance with the reporting requirements of National Environment Protection (National Pollutant Inventory) Measure 1998.

Total tailings

The total volume of fine-grained by-product, generated through Fortescue's iron ore processing facilities at its operational sites in the Pilbara, measured in dry metric tonnes.

Total salaries

The total gross salaries paid to permanent, fixed term (full time and part time) Australian and international employees before taxes and deductions in FY23. Excludes salaries paid to labour hire and contractors.

Total superannuation

The total superannuation payments made to permanent or fixed term (full time and part time) Australian employees' nominated superannuation fund in FY23. Excludes payments to labour hire and contractors, or other pension payments made to international employees.

Total waste

The volume of waste generated at Fortescue's Pilbara operational sites, including port and rail, in FY23, measured in metric tonnes, including mineralised and non-mineralised waste.

TRIFR

Total recordable injury frequency rate per million hours worked, comprising lost time injuries, restricted work and medical treatments.

TSF

Tailings storage facility.

TSF decant return water

Volume of water recovered from tailings storage facilities and made available for reuse.

TTC

Tax Transparency Code.

UNGC

United Nations Global Compact, which provides a leadership platform for businesses that are committed to aligning their strategies and operations with 10 universally accepted principles in human rights, labour, environment and anti-corruption.

UN SDGs

United Nations Sustainable Development Goals. The SDGs are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all".

VPI

Voluntary Principles Initiative. The Initiative promotes the Voluntary Principles on Security and Human Rights and its implementation by members from three pillars: corporate, government, and NGO.

VTEC

Vocational Training and Employment Centre.

Water consumption

Total water used and reused across Fortescue's sites in FY23. Includes water use through ore processing facilities, potable camp supply and dust suppression and construction and TSF decant return water. Facilities using less than 0.01 per cent of Fortescue's total water withdrawal for the previous year are excluded from reported data as they are considered immaterial.

Water discharges

Total water returns across Fortescue's sites in FY23. Includes water returned through managed aquifer recharge, surface water discharge, supplementation, infiltration, evaporation and seepage. Facilities using less than 0.01 per cent of Fortescue's total water withdrawal for the previous year are excluded from reported data as they are considered immaterial.

Water withdrawn by source

Total water withdrawn from across Fortescue's sites in FY23. Includes water withdrawn from the following sources: groundwater, surface water, seawater, municipal water supplies and third party. Facilities using less than 0.01 per cent of Fortescue's total water withdrawal for the previous year are excluded from reported data as they are considered immaterial.

Whistleblower cases

The total number of whistleblower cases reported through the Whistleblower Hotline in FY23.

Whistleblower Hotline

This refers to the independent, confidential and anonymous mechanism for employees, contractors and members of the community to raise concerns regarding potential illegal activity or breaches of our Code of Conduct and Integrity across all Fortescue operations. The Whistleblower Hotline Policy is aligned with the *Treasury Laws Amendment Act 2019* (Cth).

wmt

Wet metric tonne.

Workplace Integrity Review

Fortescue launched the Review in July 2021 to directly engage with Fortescue's workforce and contractors to understand their views about the factors that may contribute to sexual harassment and how Fortescue could enhance and expand upon existing measures to prevent it.

YNAC

Yindjibarndi Ngurra Aboriginal Corporation.

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Australian Business Number

ABN 57 002 594 872

Auditor

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Securities Exchange listings

Fortescue Metals Group Limited shares are listed on the Australian Securities Exchange (ASX)
ASX Code: FMG

Fortescue Share Registry

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DISCLAIMER

Our report contains certain statements which may constitute "forward-looking statements". Words that may indicate a forward-looking statement include words such as "intend", "aim", "ambition", "commitment", "aspiration", "project", "anticipate", "likely", "estimate", "plan", "believes", "expects", "may", "should", "could", "will", "forecast", "target", "set to" or similar expressions.

Examples of forward-looking statements include: our projected and expected production and performance levels; our plans for major projects including investment decisions; our expectations regarding future demand for certain commodities; the assumptions and conclusions in our climate change related statements and strategies; and our plan to achieve Real Zero as described in this report.

Any forward-looking statements in this report reflect the expectations held at the date of this document. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual decisions, results, values, achievements or performance to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements are based on assumptions regarding Fortescue's present and future business strategies and the future conditions in which Fortescue expects to operate. Forward-looking statements are also based on management's current expectations and reflect judgments, assumptions and information available as at the date of this report. Actual and future events may vary materially from the forward-looking statements made (and the conclusions and assumptions on which the forward-looking statements were based) because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations.

Some of the various factors that could cause Fortescue's actual results, achievements or performance to differ from those in forward-looking statements include: geopolitical and political uncertainty; trade tensions between major economies; the impacts of climate change; supply chain availability and shortages; the impacts of technological advancements including but not limited to the viability, availability, scalability and cost-effectiveness of technologies that can be used to decarbonise our business; our ability to profitably produce and transport minerals and/or metals extracted to applicable markets; the availability of skilled personnel to help us decarbonise and grow our businesses; new ore resource levels, including the results of exploration programmes and/or acquisitions; inadequate estimates of ore resources and reserves; our ability to successfully execute and/or realise value from acquisitions and divestments; our ability to raise sufficient funds for capital investment; disruption to strategic partnerships; damage to Fortescue's relationships with communities and governments; labour unrest; our ability to attract and retain requisite skilled people; declines in commodity prices; adverse exchange rate movements; delays or overruns in projects; change in tax and other regulations; cybersecurity breaches; the impacts of water scarcity; natural disasters; the ongoing impacts of the COVID-19 pandemic; safety incidents and major hazard events; and increasing societal and investor expectations, including those regarding environmental, social and governance considerations.

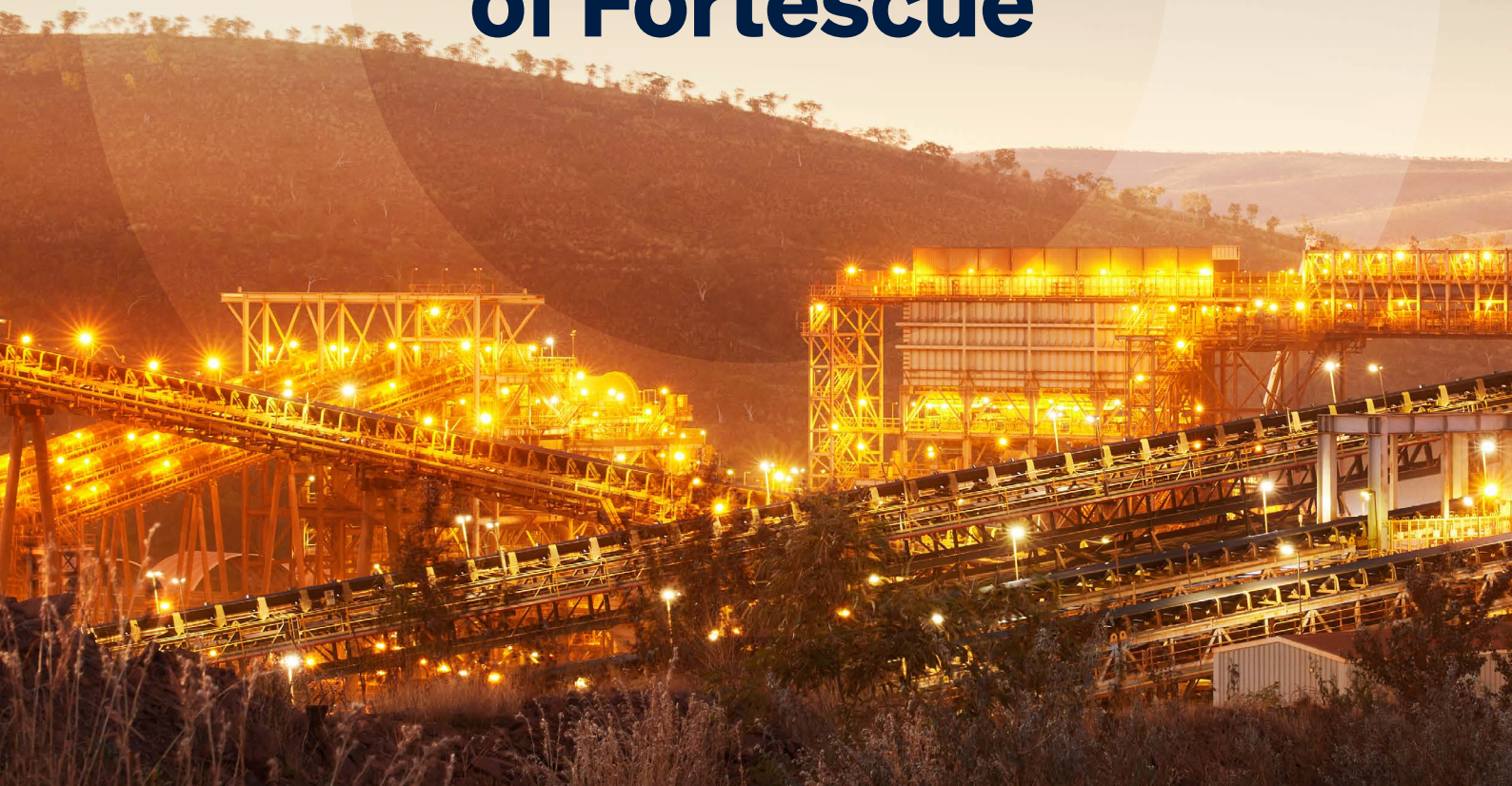
Accordingly, forward-looking statements must be considered in light of the above factors, and others, and Fortescue cautions against undue reliance on such statements. Recipients should rely on their own independent enquiries, investigations and advice regarding information contained in this report. Fortescue makes no representation, guarantee, warranty or assurance, express or implied, as to the accuracy or likelihood of the forward-looking statements or any outcomes expressed or implied in any forward-looking statements contained in this report being achieved or proved to be correct.

Except as required by applicable regulations or by law, Fortescue disclaims any obligation or undertaking to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

Fortescue™

20 YEARS
Celebrating Fortescue

Celebrating 20 years of Fortescue



Over our short history, Fortescue has gone from a start-up to being one of the world's largest producers of iron ore. As we look ahead to the next 20 years in our journey to become the number 1 integrated green technology, energy and metals company, we acknowledge our West Australian roots and thank those who have contributed, and continue to contribute, to Fortescue's success.

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