



Sustainability Report FY21

ABN 57 002 594 872

Thriving communities | Global force

Thriving communities

Global force

Our Values

Safety

Family

Empowerment

Frugality

Stretch targets

Integrity

Enthusiasm

Courage and
determination

Generating ideas

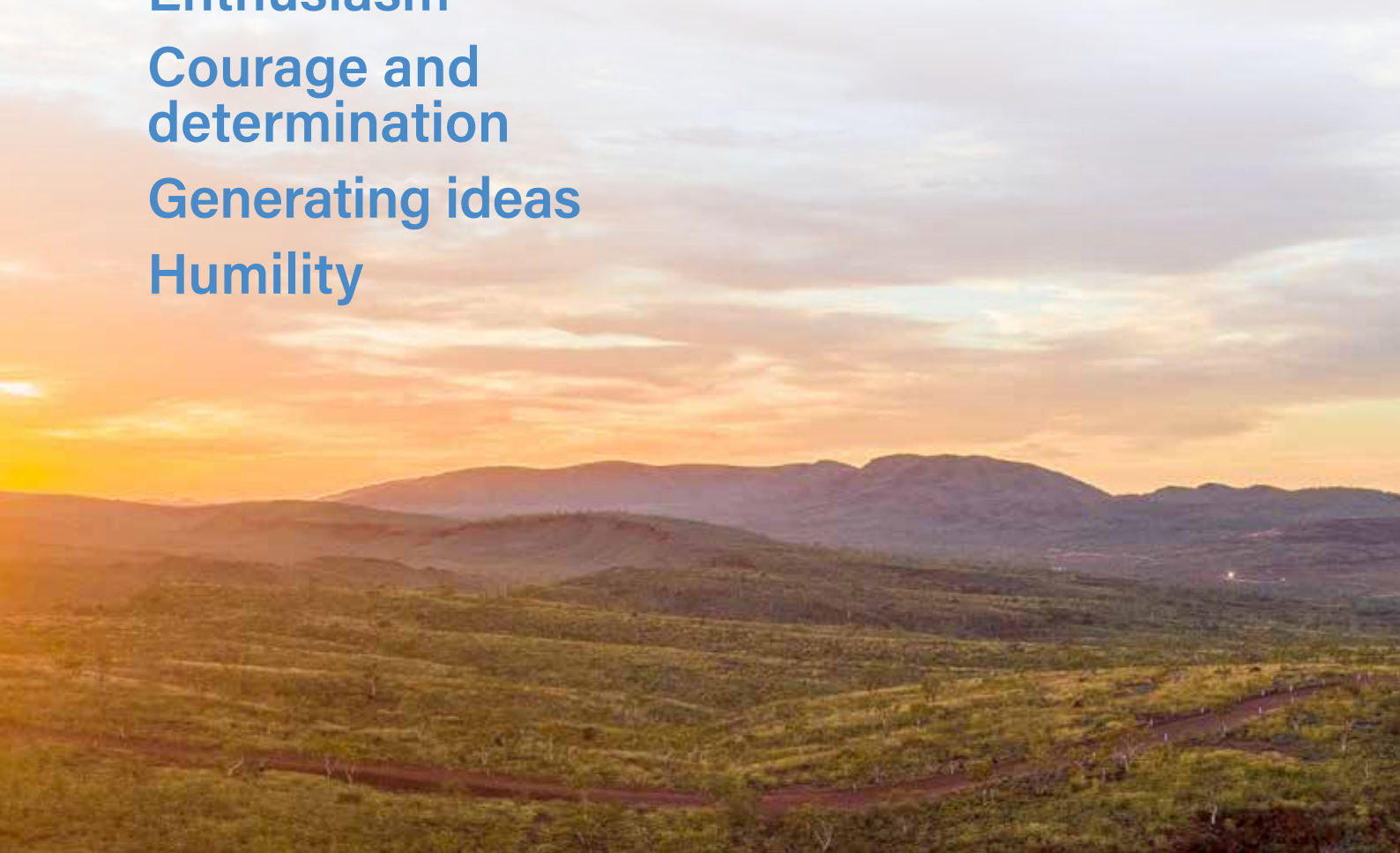
Humility

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



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About this report

This report details the performance of Fortescue Metals Group Ltd (Fortescue) against key material sustainability commitments and targets during the financial year 1 July 2020 to 30 June 2021 (FY21). It is part of our annual reporting suite which also includes the FY21 Annual Report, FY21 Climate Change Report and the FY21 Corporate Governance Statement, all of which are available on our website at www.fmgil.com.au

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

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 core option. A copy of the GRI content index is provided on pages 111 to 116.

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).

The report covers our operations, including those under exploration and development and those operated

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

through subsidiaries and joint ventures where we have management control. In particular, the report highlights work being undertaken by Fortescue Future Industries (FFI), which was established in FY21 by Fortescue to pursue green energy opportunities globally.

All references to our, we, us, the Group 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 2021 unless otherwise stated.

The report was reviewed and approved by Fortescue's Board of Directors on 27 August 2021.

Assurance

Management has sought independent, third party verification of a range of metrics in this report. This includes data on safety performance, Aboriginal employment, heritage sites and training, the Billion Opportunities program and gender diversity. Independent assurance on emissions data is reflected in our FY21 Climate Change Report.

Feedback

We value all feedback. Please forward any comments on this statement or requests for additional information to sustainability@fmgil.com.au



Year at a glance

Iron ore shipped

182.2mt

C1 costs

US\$

13.93/wmt

Cash on hand

US\$

6.9bn

Net cash

US\$

2.7bn

Net profit after tax

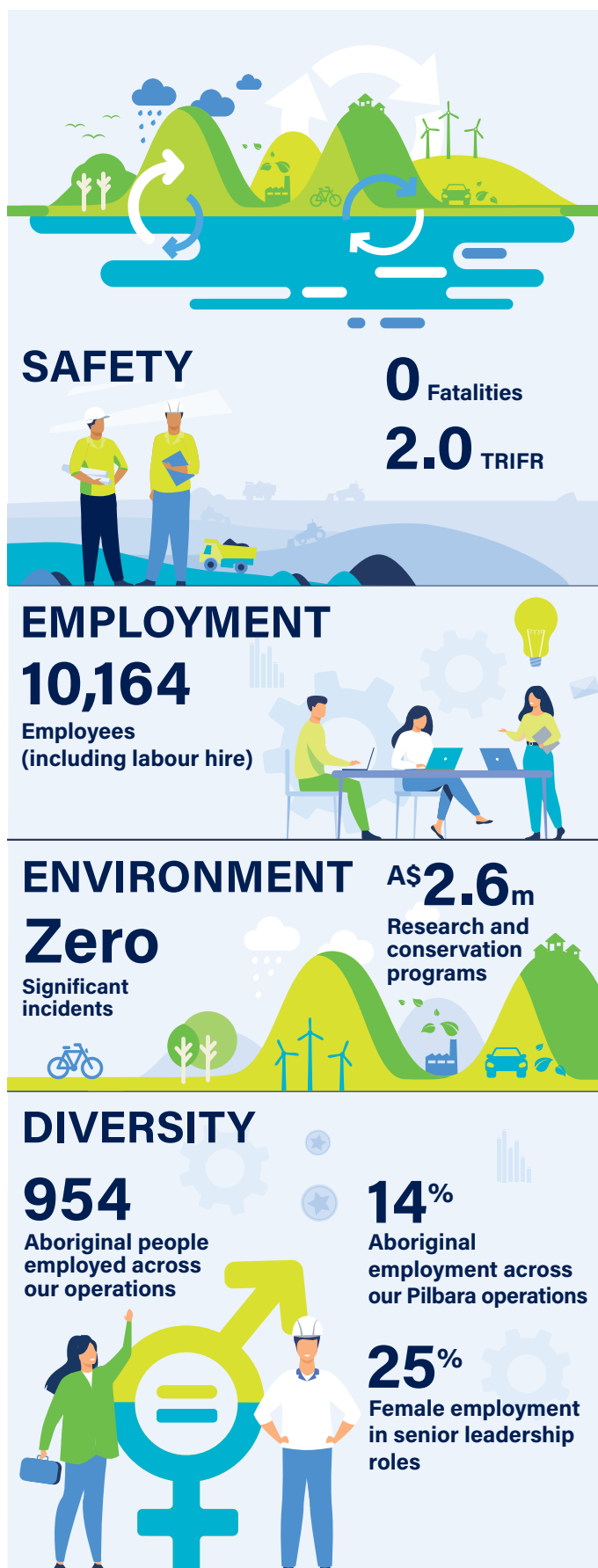
US\$

10.3bn

Total global economic contribution

A\$

30.2bn



01

Overview



Chief Executive Officer's message

Fortescue's unique culture and Values, together with our commitment to ensuring that communities benefit from our growth and development, form the foundation of our business



Elizabeth Gaines

Sustainability has never been more important to us or to our stakeholders. Ongoing changes in societal expectations and a generational shift in our key stakeholders, including investors and our team members, mean that today we are seeing increased interest across the range of environment, social and governance (ESG) considerations.

As a business, we are focused on meeting and exceeding these expectations.

From the outset, it has been Fortescue's vision to ensure that the communities in which we operate benefit from our growth and development.

As we continue to expand our business in Australia and across the globe, we are committed to empowering thriving communities and delivering positive social and economic benefits.

Our journey to zero harm

Our approach to sustainability is underpinned by our culture and Values. At the heart of this approach is a commitment to protect the health and safety of our team mates.

Everyone at Fortescue is empowered to take control and to look out for their mates and, in FY21, we achieved our lowest ever TRIFR safety performance of 2.0, as at 30 June 2021. This is in line with our target to reach the lowest quartile of the International Council on Mining and Metals' safety standards, representing leading safety performance in the sector.

This year, 99 per cent of our workforce participated in our annual Safety Excellence and Culture Survey, providing valuable feedback on how we can continue to build on our culture and ensure our Fortescue family members return home safely after every shift.

Building a diverse and inclusive workplace

We believe that diversity has been key to our success and we remain strongly committed to increasing female and Aboriginal employment across the business.

In FY21, our female employment rate increased to 21 per cent, including 25 per cent of senior leadership roles. In the Fortescue Hive, our integrated operations centre in Perth, 40 per cent of positions are held by women.

For a second consecutive year, Fortescue was recognised among the best companies globally for women to advance, following our inclusion in Parity.org's Best Companies for Women to Advance List.

The safety and wellbeing of our team members is always our highest priority and this extends to ensuring we provide a safe and inclusive work environment.

During the year, the industry's response to allegations of sexual harassment at mining operations in Western Australia came under close scrutiny.

Fortescue has a strong culture built on integrity and respect, and we encourage our team members to speak out against any behaviour which is not in line with our culture and Values.

As an industry, we must and can do more to build on our commitment to developing a diverse workforce that is reflective of society and to foster a workplace culture that truly embraces diversity and inclusiveness.

Industry-leading target to achieve carbon neutrality by 2030



Becoming a carbon neutral business

The single largest issue accelerating a focus towards ESG is climate change.

At Fortescue, we know that the energy transition needs to happen far more rapidly than 2050 if we are to meet the targets set by the Paris Agreement.

In FY21, we signalled our intention to be an industry leader in addressing climate change, the most pressing issue of our generation.

Building on our proud history of setting stretch targets, we announced a bold, industry-leading target to achieve carbon neutrality by 2030.

We have set clear, short-term priorities on our pathway to decarbonisation, including investment in renewable energy through Pilbara Energy Connect and investment by FFI in green technologies to remove the use of diesel in our mobile fleet.

FFI will enable our decarbonisation strategy by leveraging our world-leading track record of innovation and infrastructure to position us at the forefront of the global renewable hydrogen industry.

I invite you to read Fortescue's standalone Climate Change Report which details our progress against our targets and managing climate change risks in FY21. The report is available on our website at www.fmgil.com.au

Empowering Aboriginal people

Key to our approach to creating positive social change is our commitment to providing employment, training and business development opportunities for Aboriginal people.

Our Billion Opportunities program has formed a critical element of this approach and, in May 2021, we celebrated the 10th anniversary of the program and the award of over A\$3 billion in contracts to Aboriginal businesses and joint ventures.

Building on this success, we also announced FFI would commit to a target of awarding A\$1 billion in contracts to Aboriginal businesses and joint ventures on green energy projects by 2030.

Contributing to the economy and local communities

In line with our commitment to building vibrant and thriving communities, we are focused on supporting bespoke programs that are delivered in partnership with local communities.

During FY21, we made a social investment of over A\$63.2 million into our local communities through financial and in-kind support of a range of philanthropic, community and training programs. This included A\$1 million to the Royal Flying Doctor Service in recognition of the important service it provides for people living in regional and remote WA.

Fortescue also continues to provide substantial contributions to the West Australian and Australian economy. In FY21, we made a total global economic contribution of A\$30.2 billion, including A\$8 billion in government taxes and royalty payments.

Our Values and culture

Ultimately, it is the passion of our people that continues to drive our commitment to ensuring sustainability is integrated into every aspect of our business.

As we enter a new phase of growth and look to take a global leadership position in the green energy transition, our team will continue to be guided by our strong, unique culture as we strive to achieve our stretch targets and drive future success.



Opening the door for female Aboriginal entrepreneurs

Fortescue's Billion Opportunities program has been a game changer for the Aboriginal business sector since it was first introduced in 2011.

Today, the program is also helping to open doors for Aboriginal businesswomen and aspiring entrepreneurs.

Established by five prominent women who are Traditional Custodians from the Pilbara region, Brindabella Resources is strongly committed to building a business that is creating long-term sustainable employment opportunities for Aboriginal people.

In FY21, the business won a three-year contract at Cloudbreak to provide plant hire equipment.

Director Elsa Derschow said, "Billion Opportunities is life changing, not just for us, but for our families and the communities that we belong to. It's exciting – because of

Brindabella, my daughter has now gone out and created her own company and is doing better than I am!"

During the year, Fortescue also awarded the single largest contract under Billion Opportunities to a majority owned Aboriginal business in Western Australia.

Founded by Koori businesswoman Amanda Healy in 2017, Warrikal was awarded a five-year A\$350 million contract as one of the providers of maintenance and shutdown services across Fortescue's Pilbara operations.

"The award of this contract and the continual business growth is a testament to our amazing personnel and our reputation for delivering 'Innovative Engineering Solutions' across multiple disciplines, whilst maintaining a high standard of safety and quality as a true reflection of each and every Warrikal team member," Amanda said.

About Fortescue



Established in 2003, Fortescue is a proud West Australian company, recognised for our culture, innovation and industry-leading development of infrastructure and mining assets

Underpinned by operational excellence and balance sheet strength, we are focused on our strategic goals of building thriving communities, optimising returns from our operations through disciplined capital management and diversifying to commodities that support decarbonisation

Together with FFI, our 100 per cent renewable green energy and industry company, we are establishing a global portfolio of green hydrogen and green product operations that will position us at the forefront of the global renewable hydrogen industry.

Our iron ore business comprises integrated mining, rail, shipping and marketing teams working together to export over 180 million tonnes of iron ore annually. Our commitment to technology and innovation ensures we remain one of the world's lowest cost iron ore producers and continues to guide our pursuit of green energy opportunities.

Our operations include three mining hubs in the Pilbara, Western Australia, which are connected to the five berth Herb Elliott Port and the Judith Street Harbour towage infrastructure in Port Hedland via 760 kilometres of the fastest heavy haul railway in the world.



Our supply chain extends to our innovative tug fleet and the eight purpose-built 260,000 tonne capacity Fortescue Ore Carriers, which have been designed to complement the efficiency of our port and maximise the safety and productivity of Fortescue's operations.

The Fortescue Hive, our expanded integrated operations centre based in our East Perth headquarters, brings together our entire supply chain to deliver enhanced safety, productivity, efficiency and commercial benefits, and will underpin our future use of technology, including artificial intelligence and robotics.

Our longstanding relationships with customers in China have grown from our first commercial shipment of iron ore in 2008. Today, we are a core supplier of seaborne iron ore to China and have expanded into markets including Japan and South Korea.

Driven by our industry-leading target to be carbon neutral by 2030, Fortescue is committed to lead the heavy industry battle against global warming. In addition to our ongoing investments in renewable energy to power our Pilbara iron ore operations, we are also

undertaking a range of initiatives to decarbonise our mobile fleet through the next phase of hydrogen and battery electric energy solutions to eliminate the need for diesel across our operations.

Fortescue was founded on the belief that the communities in which we operate should benefit from our success. Globally, we are empowering thriving communities and delivering positive social and economic benefits through training, employment and business development opportunities, including for our Indigenous employees and partners.

Fortescue is a values-based business with a strong, unique culture which celebrates diversity and inclusiveness. By empowering our people, we will continue to generate economic growth and create jobs as we take a global leadership position in the green energy transition.

As we enter this new phase of growth in our journey, our team will continue to challenge the status quo to sustain operational excellence, achieve our stretch targets, drive future success and deliver strong returns to our shareholders.

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
Chairman



Mark Barnaba AM
Lead Independent Director/
Deputy Chair



Elizabeth Gaines
Chief Executive Officer/
Managing Director



**Lord Sebastian Coe CH,
KBE**
Non-Executive Director



Jennifer Morris OAM
Non-Executive Director



Dr Jean Baderschneider
Non-Executive Director



Penny Bingham-Hall
Non-Executive Director



Dr Cao Zhiqiang
Non-Executive Director



Dr Ya-Qin Zhang
Non-Executive Director



The appointment and reappointment of directors is intended to maintain and enhance the overall quality of the Board through a composition which reflects a diversity of skills, ethnicity, experience, gender and age

The primary driver for the Board in seeking new directors is skills and experience which are relevant to the needs of the Board in discharging its responsibilities to shareholders. All new Board members benefit from a comprehensive induction process that supports their understanding of Fortescue's business.

Fortescue's policy is to assess all potential Board candidates without regard to race, gender, age, physical ability, sexuality, nationality, religious beliefs, or any other factor not relevant to their competence and performance.

There is also a range of support given to Board members which enables them to stay strongly connected to Fortescue, its culture and Values.

These include:

- Opportunities for significant contribution to the annual strategy setting process conducted with executive and senior management.
- Regular briefings from executive and senior management regarding all major business areas, tailored site visits and annual site tours to operations, subject to COVID-19 travel restrictions.

- Visits to meet with key customers that strengthen their understanding of the Company's key markets.
- Regular formal and informal opportunities for the directors to meet with management and staff.

The Board has established Committees to assist in the execution of its duties and to ensure that important and complex issues are given appropriate consideration. The primary Committees of the Board are the Remuneration and People Committee, the Audit, Risk Management and Sustainability Committee (ARMSC), the Nomination Committee and the Finance Committee.

Each Committee has a non-executive Chair and operates under its own Charter which has been approved by the Board.

Directors are expected to act independently and ethically and comply with all relevant requirements of the *Corporations Act 2001*, ASX Listing Rules and the Company's Constitution.

The Company actively promotes ethical and responsible decision making through its Values and Code of Conduct and Integrity that embodies these Values.

The Board and each of its Committees have established a process to evaluate their performance annually. The process is based on a formal questionnaire covering a range of performance topics. The process is managed by the Company Secretary under the direction of the Lead Independent Director. The most recent review was undertaken in June 2021.

The results and recommendations from the evaluation of the Board and Committees are reported to the full Board for further consideration and action, where required.

At the date of this report, the Board has eight non-executive directors and one executive director, being the Chief Executive Officer, Elizabeth Gaines. The Board believes that an appropriate mix of non-executive and executive directors is beneficial to its role and provides strong operational and financial insights to support the business.

Dr Andrew Forrest AO

Chairman

Chairman and Founder of Fortescue Metals Group, Fortescue Future Industries, Munderoo Foundation, and Tattarang.

As Founder and Chairman, Dr Andrew Forrest has led Fortescue from inception to a US\$60 billion listed natural resources company that's invested over US\$30 billion developing some of the world's most efficient infrastructure. Fortescue is Australia's highest growth company over the last two decades, and has devoted its future to leading the decarbonisation of the world's heavy industry. In 2021, Fortescue announced its commitment to become zero-emissions by 2030, and created FFI, a developer, financier and operator of a global portfolio of renewable energy resources to produce green energy at a scale equal to the oil and gas super-majors.

In 2001, Dr Forrest co-founded Munderoo Foundation with his wife Nicola and to date they've donated more than US\$1.6 billion supporting 300+ initiatives addressing modern slavery, ocean health, cancer, Indigenous disparity, childhood development, artificial intelligence, disaster resilience and plastic waste.

Dr Forrest has a PhD in Marine Ecology from the University of Western Australia, and serves as an IUCN Patron of Nature, a World Economic Forum Friend of Ocean Action, and a member of the United Nations Environment Programme's Scientific Advisory Committee on the Assessment on Marine Litter and Microplastics.

Dr Forrest is Co-Chair of the Australia-China Senior Business Leaders' Forum, Global Patron of the Centre for Humanitarian Dialogue, and served as a Councillor of the Global Citizen Commission charged by the United Nations in 2016 to modernise the 1948 Universal Declaration of Human Rights.

In 2017, Dr Forrest was appointed an Officer of the Order of Australia (AO) for distinguished service to philanthropy, mining, employment and sustainable foreign investment.

Committee memberships:

Finance Committee (Chair) and Nomination Committee (Member)

Mark Barnaba AM CitWA

Lead Independent Director/ Deputy Chairman

Deputy Chair since November 2017; Lead Independent Director since November 2014; Non-Executive Director since February 2010.

Mr Barnaba is a career investment banker, having focused predominantly in the natural resources sector.

Mr Barnaba spent most of his career with companies he founded, led and then sold – GEM Consulting and Azure Capital (both independent corporate advisory firms which provide financial, corporate and strategic advice to companies, governments and institutions in the Asia-Pacific region), McKinsey & Company (both in Australia and overseas) and in several senior executive roles at Macquarie Group (one being the Chairman and Global Head of the Natural Resources Group). He has previously chaired the Black Swan State Theatre Company of Western Australia, the West Coast Eagles (an Australian Rules Football League team) and several large publicly listed (ASX) companies in the mining and infrastructure sectors.

Mr Barnaba is also a member of the Board (and Chairman of the Audit Committee) of the Reserve Bank of Australia and was the inaugural Chairman of the University of Western Australia Business School Board from 2002 to 2020. He now holds the title of (inaugural) Emeritus Board Member, also serving as an Adjunct Professor in Finance.

Mr Barnaba also chairs GLX (a specialist technology company that develops software-based marketplace solutions for commodity markets) and the Hospital Benefit Fund (HBF) Investment Committee, is a member of the Senior Advisory Board of Appian Capital (a London-based pure-play mining private equity fund), is a member of the Board of the Centre for Independent Studies and is a senior fellow at EY (Oceania).

Mr Barnaba holds a Bachelor of Commerce (First Class Honours and University Medal) from the University of Western Australia, an MBA from Harvard Business School (High

Distinction; Baker Scholar) and an Honorary Doctorate of Commerce from the University of Western Australia. He has lived in Australia, the United States, Italy, the United Kingdom and South Africa.

Committee memberships:

Audit, Risk Management and Sustainability Committee (Chair), Nomination Committee (Member), Remuneration and People Committee (Member), Finance Committee (Member)

Elizabeth Gaines

Chief Executive Officer/ Managing Director

Chief Executive Officer/Managing Director since February 2018 and Executive Director since February 2017; Former Non-Executive Director from February 2013 to February 2017.

A highly experienced business leader with extensive international experience as a Chief Executive Officer and group executive, Ms Gaines has a proven track record in financial and operational leadership.

After joining Fortescue as a Non-Executive Director in February 2013, Ms Gaines was appointed Chief Financial Officer and Executive Director in February 2017. She is a former Chief Executive Officer of Helloworld Limited and Heytesbury Pty Limited and has also held the position of Chief Financial Officer at Stella Group and Entertainment Rights plc.

Ms Gaines was ranked second in the 2019 Fortune Magazine's Businessperson of the Year, and in 2020 the Chamber of Minerals and Energy of Western Australia awarded her the 'Women in Resources Champion' at the annual Women in Resources Awards.

She has significant exposure to the impact of the growth in Asian economies, particularly China, on the Australian business environment and economy as well as a deep understanding of all aspects of financial and commercial management at a senior executive level in both listed and private companies.

Ms Gaines holds a Bachelor of Commerce and Master of Applied Finance and, in 2019, was awarded an Honorary Doctorate of Commerce by Curtin University. She is a Fellow of Chartered Accountants Australia and New Zealand, and a member of the Australian Institute of Company Directors and Chief Executive Women.

Lord Sebastian Coe CH, KBE

Non-Executive Director

Non-Executive Director since February 2018.

Lord Coe is currently a senior advisor with Morgan Stanley & Co International plc and a Non-Executive Director of the Vitality Group of health and life insurance companies. In 2017, he became Chancellor of Loughborough University having previously served as Pro Chancellor of the University.

Based in the United Kingdom, Lord Coe is the Non-Executive Chairman of CSM Sport and Entertainment, within the Chime Communications group. He was elected President of the International Association of Athletics Federations (IAAF) in 2015 (now World Athletics) where he is driving significant governance reforms through the organisation and its 214 Member Federations around the world. He is currently serving his second term as President. He was elected as a member of the International Olympic Committee in 2020, and became a director of the British Olympic Association at that time, having previously served as Chairman of the British Olympic Association from 2012 to 2016.

Lord Coe was Chairman of the Organising Committee for the London 2012 Olympic Games and Paralympic Games. He was a member of the British athletics team at the 1980 and 1984 Olympic Games where he won two gold and two silver medals, as well as breaking twelve world records.

In 1992, Lord Coe became a Member of Parliament and during his political career served as a Government Whip and then Private Secretary to William Hague, Leader of the Opposition and Leader of the Conservative Party. He was appointed to the House of Lords in 2000.

Committee memberships:

Nomination Committee (Chair)

Jennifer Morris OAM

Non-Executive Director

Non-Executive Director since November 2016.

Ms Morris is an accomplished corporate executive and non-executive director, with key experience in advising corporations and government entities on strategy development, governance controls, complex large-scale business transformation, human capital-related work, the embedding of environment, social and governance-related policies and the understanding of high-performance environments learned during her varied career, including elite sport.

Ms Morris is a Non-Executive Director of Sandfire Resources and is also a member of the Risk Committee and People and Performance Committees. Ms Morris is also a Director on the Australian Sports Commission.

Previously, Ms Morris was CEO of Walk Free, a global human rights organisation, and a senior executive of Andrew and Nicola Forrest's Minderoo Foundation. She is a former Partner of global professional services firm Deloitte and also served as Chair of Healthway and a Director of AFL club, the Fremantle Dockers. Ms Morris is also a former member of the Australian Women's Hockey Team, in which she won Olympic gold medals at the Atlanta 1996 and Sydney 2000 Olympic Games. In 1997, she was awarded a Medal of the Order of Australia (OAM).

Ms Morris is a member of the Australian Institute of Company Directors, a Fellow of Leadership WA and a member of the Vice Chancellor's List, Curtin University. She holds a Bachelor of Arts (Psychology and Journalism) received with Distinction and has completed Finance for Executives at INSEAD.

Committee memberships:

Remuneration and People Committee (Chair), Audit, Risk Management and Sustainability Committee (Member)

Dr Jean Baderschneider

Non-Executive Director

Non-Executive Director since January 2015.

A highly regarded leader in both business and civil society, Dr Baderschneider brings 35 years of extensive international experience in procurement, strategic sourcing and supply chain management along with a deep understanding of high-risk operations and locations and complex partnerships.

Dr Baderschneider retired from ExxonMobil in 2013 where she was Vice-President of Global Procurement. During her 30-year career, she was responsible for operations all over the world, including Africa, South America the Middle East and Asia.

A past member of the Board of Directors of the Institute for Supply Management and the Executive Board of the National Minority Supplier Development Council, Dr Baderschneider also served on the boards of The Center of Advanced Purchasing Studies and the Procurement Council of both The Conference Board and the Corporate Executive Board.

She was a Presidential appointee to the US Department of Commerce's National Advisory Council on Minority Business Enterprises and is a past recipient of Cornell's Jerome Alpern Award and Nomi Network's Corporate Social Responsibility Award. She holds a Master's degree from the University of Michigan and a PhD from Cornell University.

Committee memberships:

Audit, Risk Management and Sustainability Committee (Member)

Penny Bingham-Hall

Non-Executive Director

Non-Executive Director since November 2016.

Ms Bingham-Hall has over 30 years' experience in senior executive and non-executive roles in large ASX listed companies and is currently a Non-Executive Director of BlueScope Steel Limited, Dexu Property Group and Vocus Group. Ms Bingham-Hall is also Chair of Taronga Conservation Society Australia and the NSW Ministerial Freight and Logistics Advisory Council and is a Board member of Supply Nation and the Crescent Foundation.

Ms Bingham-Hall has worked in the construction, infrastructure, mining and property industries across Australia and the Asian region. She has a particular interest in environmental sustainability, workplace safety and Indigenous employment. Prior to becoming a company director, Ms Bingham-Hall was Executive General Manager, Strategy at Leighton Holdings (now CIMIC) – Australia's largest construction, mining services and property group. As part of the leadership team at Leighton, she had responsibilities across the group's Australian and Asian operations.

Ms Bingham-Hall has a Bachelor of Arts degree in Industrial Design, is a Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Services Institute of Australasia and a member of Chief Executive Women and Corporate Women Directors.

Committee memberships:

Audit, Risk Management and Sustainability Committee (Member), Remuneration and People Committee (Member), Finance Committee (Member)

Dr Cao Zhiqiang

Non-Executive Director

Non-Executive Director since January 2018 (nominated director from Hunan Valin Iron and Steel Group Company Ltd).

Dr Cao is currently the Chairman of Hunan Valin Iron and Steel Group Company Ltd and brings extensive experience in technology and steel mill management, along with a deep background in international cooperation.

Dr Cao joined Valin Xiangtan Steel in 1997 and has worked in a variety of roles, including Director of the Research and Development Centre, before being appointed Chief Executive Officer.

He holds a PhD in Science and is a senior engineer research fellow.

Dr Ya-Qin Zhang

Non-Executive Director

Non-Executive Director since August 2019.

Dr Ya-Qin Zhang is a renowned scientist, technologist and business executive. He is the founder and Chairman of Blue Entropy LLC, a Seattle-based technology consulting firm. He joined Tsinghua University as the Chair Professor of AI Science in 2020, starting the Tsinghua Institute for AI Industry Research (AIR). Dr Zhang was President of Baidu Inc. (NASDAQ: BIDU) from September 2014 to October 2019, a leading Chinese multinational technology company specialising in Internet-related services, mobility, artificial intelligence and cloud computing. Prior to joining Baidu, he was a key executive of Microsoft Corporation for 16 years, including Corporate Vice President for Mobile and Embedded Products, Managing Director of Microsoft Research Asia and Chairman of Microsoft China.

Dr Zhang has made significant contributions to digital media, AI, autonomous driving and cloud computing industries, with over 60 granted US patents, 500 peer-reviewed publications, and numerous contributions to international standards. Dr Zhang was inducted into the American Academy of Arts and Sciences (AAAS) in 2019 and the Australian Academy of Technology and Engineering (ATSE) as the only foreign fellow in 2017, and became a Fellow of the Institute of Electrical and Electronics Engineers (IEEE) in 1997 at the age of 31, making him the youngest scientist winning this honour in the 100+ year history of the organisation.

Dr Zhang has served on the Board of Directors of WPP (NASDAQ: WPPGY), Chinasoft International Ltd (HKEX: 354) and AsiaInfo Technologies Ltd (HKEX: 1675). He serves on the Board of Stewardship for the Future of Mobility of the Davos World Economic Forum and Chairman of the Apollo Alliance, the largest open platform for autonomous driving in the world. Dr Zhang received his Bachelor's and Master's degree in Electrical Engineering from the University of Science and Technology of China, and a PhD in Electrical Engineering from George Washington University.

Cameron Wilson

Company Secretary

Mr Wilson was appointed Company Secretary in February 2018, bringing over 20 years' mining industry experience across the gold, nickel, coal and mineral sands sectors. Mr Wilson holds a Bachelor of Laws from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.

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

Executive team



Elizabeth Gaines
Chief Executive Officer



Ian Wells
Chief Financial Officer



Julie Shuttleworth AM
Chief Executive Officer,
FFI



Danny Goeman
Director Sales and Marketing



Peter Huston
Director Corporate
Development, Legal and
Strategy



Derek Brown
Director Projects



Tim Langmead
Director Community,
Environment and Government



Linda O'Farrell
Director Fortescue People



Fernando Pereira
Director Operations



Alison Terry
Director Sustainability and
Corporate Affairs and Joint
Company Secretary



Rob Watson
Director Health and Safety

Elizabeth Gaines

Chief Executive Officer

A highly experienced business leader with extensive international experience as a Chief Executive Officer and group executive, Ms Gaines has a proven track record in financial and operational leadership.

After joining Fortescue as a Non-Executive Director in February 2013, Ms Gaines was appointed Chief Financial Officer and Executive Director in February 2017. She is a former Chief Executive Officer of Helloworld Limited and Heytesbury Pty Limited and has also held the position of Chief Financial Officer at Stella Group and Entertainment Rights plc.

Ms Gaines was ranked second in the 2019 Fortune Magazine's Businessperson of the Year, and in 2020 the Chamber of Minerals and Energy of Western Australia awarded her the 'Women in Resources Champion' at the annual Women in Resources Awards.

She has significant exposure to the impact of the growth in Asian economies, particularly China, on the Australian business environment and economy as well as a deep understanding of all aspects of financial and commercial management at a senior executive level in both listed and private companies.

Ms Gaines holds a Bachelor of Commerce and Master of Applied Finance and, in 2019, was awarded an Honorary Doctorate of Commerce by Curtin University. She is a Fellow of Chartered Accountants Australia and New Zealand, and a member of the Australian Institute of Company Directors and Chief Executive Women.

Ian Wells

Chief Financial Officer

Mr Wells commenced as Chief Financial Officer in February 2018 having responsibility for the Fortescue Group capital management strategy, core finance functions including reporting, tax and treasury, together with Group procurement and logistics, and

technology and autonomy. Mr Wells is a Director of a number of Fortescue's subsidiaries and is a member and alternate chair of the Iron Bridge Joint Venture Committee.

Since joining Fortescue in 2010, he has held multiple senior executive roles in the Group Finance Leadership team, including Group Manager Corporate Finance, leading Fortescue's capital management strategy, Group Manager Planning and Analysis and he also held the position of Company Secretary.

Mr Wells' prior experience includes financing Fortescue's major iron ore project development, leading multi-billion dollar capital raising and refinancing transactions in domestic and international capital markets.

With more than 25 years' experience as a senior executive in leading ASX listed and private companies in the mining, energy infrastructure and healthcare industries, Mr Wells' previous positions include Chief Financial Officer of Singapore Power subsidiary Jemena Limited and Acting Chief Financial Officer of Alinta Limited.

Mr Wells holds a Bachelor of Business in Accounting, is a Fellow of CPA Australia, a Certified Finance and Treasury Professional and a Graduate of the Australian Institute of Company Directors. Mr Wells is Chairman of The Salvation Army's WA Corporate and Philanthropic Council.

Julie Shuttleworth AM

Chief Executive Officer, FFI

Ms Shuttleworth commenced as Deputy Chief Executive Officer in February 2018 and was appointed CEO Fortescue Future Industries in August 2020.

Having joined Fortescue in 2013, Ms Shuttleworth has held General Manager roles at both Fortescue's Cloudbreak and Solomon mines.

Ms Shuttleworth holds a double major in Extractive Metallurgy and Chemistry from Murdoch University and has 27 years' experience in the mining and resources industry in Australia, China, Tanzania and South America, including 19 years in gold/

copper working for Newcrest Mining, Sino Mining and Barrick Gold prior to joining Fortescue.

Ms Shuttleworth is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy (AusIMM), a Graduate Member of the Australian Institute of Company Directors (AICD), a Member of Chief Executive Women (CEW), a Member of the Institution of Engineers Australia (IEAust) and on the International Committee of the Society for Mining, Metallurgy and Exploration (SME). She has attended Harvard Business School and INSEAD Business School, holds diplomas in Financial Markets and Management, and sponsors the Julie Shuttleworth Prize in Mineral Processing at Murdoch University.

Ms Shuttleworth was awarded 2011 Australian Mine Manager of the Year and 2012 West Australian Businesswoman of the Year. She is listed in the 2013 WIM(UK) 100 Global Inspirational Women in Mining, and is one of the 2014 Australian Women of Influence. In 2021, Ms Shuttleworth was awarded a Member of the Order of Australia for her significant service to the minerals and mining sector.

Danny Goeman

Director Sales and Marketing

Mr Goeman was appointed Director Sales and Marketing in August 2018. Mr Goeman has more than 25 years of experience in management, sales and marketing, strategy development and high level commercial negotiations, including more than 20 years with the Rio Tinto group of companies.

Mr Goeman has a wealth of experience in leading commercial transactions in different geographies, including Australia, Asia, Europe and Africa, and has experience in a range of commodities including diamonds, iron ore, coal and potash. Mr Goeman has a Master's degree in Business Administration.

Peter Huston

Director Corporate Development, Legal and Strategy

Mr Huston joined Fortescue in 2005 and has over 20 years' experience in legal and corporate advisory roles. Prior to joining Fortescue, Mr Huston spent 12 years as a Partner of the law firm now known as Norton Rose Fulbright. He then spent over a decade in Activist Private Equity as an Executive Director at Troika Securities Limited.

Mr Huston is admitted as a Solicitor and Barrister of the Supreme Court of Western Australia, the Federal and High Court of Australia and has a Bachelor of Jurisprudence, Bachelor of Laws (with Honours), Bachelor of Commerce and a Master of Laws.

Derek Brown

Director Projects

Mr Brown was appointed as Director Projects in February 2021, responsible for managing Fortescue's major project portfolio including the Iron Bridge Magnetite Project and Pilbara Energy Connect, a US\$700m program of works that includes transmission and a hybrid solar and gas generation solution.

Mr Brown joined Fortescue in mid-2017 leading the asset management and reliability team, before moving to the role of General Manager at Fortescue's Cloudbreak site. In 2020, he became the General Manager of Solomon, successfully leading organisational culture, operational effectiveness, business improvement and infrastructure management for the Solomon Hub.

Mr Brown brings more than 35 years of mining sector experience across senior operational roles in South Africa, Canada and Australia. He has extensive experience in general management, operations, project delivery and mechanical engineering.

Tim Langmead

Director Community, Environment and Government

Mr Langmead joined Fortescue as Group Manager Corporate Affairs in January 2013 and from January 2014 served as Director External Relations before being appointed to his current role in 2018.

Holding a Graduate Diploma in Energy Law, Mr Langmead commenced his career as a journalist and has held senior roles in federal political offices and in the resources sector. Mr Langmead is a Councillor of the Association of Mining and Exploration Companies.

Linda O'Farrell

Director Fortescue People

Ms O'Farrell joined Fortescue in October 2013 as Group Manager Fortescue People, joining the Executive team in December 2014. Having held a number of executive human resources roles in major Australian resource companies, Ms O'Farrell brings deep experience in strategic people management, diversity and Aboriginal employment.

Ms O'Farrell holds a Bachelor of Economics (Honours in Industrial Relations) from the University of Western Australia. She is a Director at the Australian Institute of Management Western Australia, the Australian Resources and Energy Group (AMMA) and Lifeline Australia.

Fernando Pereira

Director Operations

Mr Pereira was appointed Director Operations in June 2019, having started his career at Fortescue in 2010 and has previously led the Company's Port and Rail Operations and Asset Management teams.

Mr Pereira has more than 20 years' experience in the mining industry, spanning various commodities and operations in Australia and South America. He has expertise in senior management, mining and mineral engineering, supply chain optimisation and overseeing mechanical, structural and expansion projects. Mr Pereira holds a Bachelor in Mining and Mineral Processing Engineering and Specialisation in Business Management.

Alison Terry

Director Sustainability and Corporate Affairs and Joint Company Secretary

Ms Terry joined Fortescue in 2014 as Group Manager Corporate Affairs and serves as Joint Company Secretary, having been appointed to the role in February 2017. With significant experience in corporate affairs, legal, company secretarial and general management, Ms Terry has previously held senior executive and Board roles across a number of sectors including automotive, telecommunications and superannuation.

Ms Terry holds a Bachelor of Economics and Bachelor of Laws (Honours) and a Graduate Diploma of Business (Accounting). She is a member of Chief Executive Women, a Graduate of the Australian Institute of Company Directors and a Director of the Black Swan State Theatre Company of Western Australia.

Rob Watson

Director Health and Safety

Mr Watson was appointed Director Health and Safety in July 2020 after joining Fortescue in 2011. Prior to this, Mr Watson spent 15 years in a number of senior corporate health and safety roles in large mining companies. Mr Watson's career in health and safety spans over 30 years in a number of industries and commodities. Mr Watson holds a Master's degree in Occupational Health and Safety.

Iron ore shipped

182.2_{mt}

C1 costs

US\$
13.93_{/wmt}

Cash on hand

US\$
6.9_{bn}

Net cash

US\$
2.7_{bn}

Net profit
after tax

US\$
10.3_{bn}

Total global
economic contribution

A\$
30.2_{bn}



Overview of operations



As one of the world's largest producers of iron ore, Fortescue's wholly owned and integrated operations in the Pilbara include the Chichester, Solomon and Western mining hubs. Our mining infrastructure is connected to the five berth Herb Elliott Port and Judith Street Harbour towage facility in Port Hedland via the fastest heavy haul railway in the world

Chichester Hub

Our Chichester Hub in the Chichester Ranges, comprising the Cloudbreak and Christmas Creek mines, has an annual production capacity of approximately 100mtpa from three Ore Processing Facilities (OPFs).

Consistent and sustained performance delivered from the OPFs has allowed us to optimise our product strategy through enhanced blending and beneficiation, supporting iron grades and reducing impurities.

This has contributed to lower mining cut-off grades, as we optimise ore bodies with sustainably lower strip ratios.

To further enhance our ore, the Christmas Creek OPF infrastructure has been upgraded to include a Wet High Intensity Magnetic Separator (WHIMS) to recover high grade iron from the finer ore fed through the plants, helping to improve product yield and reduce total mining volumes.

Cloudbreak utilises relocatable conveyors which can be moved, lengthened or shortened once an area is mined. The conveyors now cover 10km, extended from the initial 5km length due to the success and efficiency of this innovative infrastructure. Construction is underway to extend the conveyor by a further 10km.



Solomon Hub

The Solomon Hub in the Hamersley Ranges is located 60km north of Tom Price and 120km to the west of our Chichester Hub. It comprises the Firetail, Kings Valley and Queens Valley mines which together have a production capacity of 75mtpa.

The expansion to Queens Valley will help maintain production of the Kings Fines product.

Solomon represents a valuable source of production by blending higher iron grade, low cost Firetail ore with low phosphorous Chichester ore to create Fortescue Blend.

Western Hub

Fortescue is developing the Western Hub, which includes significant amounts of high iron content bedded iron ore and is now home to the Eliwana mine.

Located 140km to the west of Solomon, the Eliwana mine spans over 50km and commenced operations in December 2020. The operation includes 143km of rail linking to the Hamersley rail line and a 30mtpa dry OPF.

Together with Eliwana's 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 Fortescue's low cost status and providing greater flexibility to capitalise on market dynamics.

Hedland Operations

Fortescue wholly owns and operates our purpose designed rail and port facilities, constructed to deliver iron ore from our mines to Port Hedland for shipment to our customers.

Covering 760km of track, our railway is the fastest and heaviest haul line in the world.

The efficient design and layout, optimal berthing configuration and ongoing innovation to increase productivity make Fortescue's Herb Elliott Port the most efficient bulk port operation in Australia.

The port has five operating berths and our current infrastructure is capable of safely and efficiently exporting in excess of 180mtpa.

Fortescue has been granted approval to increase the licensed throughput capacity of Herb Elliott Port from 175mtpa to 210mtpa, in line with our strategy to deliver growth through investment in significant projects including the Iron Bridge Magnetite Project.

The Judith Street Harbour towage infrastructure and our fleet of tugs provide safe and reliable towage services that maximise the efficiency of our operations, while offering competitive third party towage services within the port.

Designed to complement our port infrastructure, the fleet of eight 260,000 tonne capacity Fortescue Ore Carriers deliver approximately 11 per cent of our shipping requirements, while improving load rates and efficiencies and reducing operating costs. Our shipping fleet completes our mine to market supply chain.

Iron Bridge Magnetite Project

The US\$3.3 – US\$3.5 billion Iron Bridge Magnetite Project is under development and will deliver 22mtpa of high grade 67% Fe magnetite concentrate product, further enhancing the range of products available to our customers.

Iron Bridge, located 145km south of Port Hedland and incorporating the world class North Star and Glacier Valley Magnetite ore bodies, is an unincorporated joint venture between Fortescue's subsidiary FMG Iron Bridge and Formosa Steel IB.

The innovative process design, including the use of a dry crushing and grinding circuit, will deliver globally competitive capital intensity and operating costs.

The Iron Bridge project includes the installation of a 135km concentrate slurry pipeline to Port Hedland, together with a return water pipeline.

Iron Bridge Magnetite Project

Innovative process design, including the use of a dry crushing and grinding circuit



In FY21, Fortescue completed a 12-week technical and commercial assessment of the project to validate the capital cost and schedule, with first production scheduled by December 2022 and a ramp up period of 12 to 18 months.

The construction of a module offload facility at Lumsden Point in Port Hedland commenced in FY21 to address logistical constraints relating to the delivery of large modules fabricated offshore.

Sales and marketing

Fortescue has an integrated operating and marketing strategy, focused on meeting the needs of our customers while maximising value.

Fortescue products are sold to a global customer base, with the majority of tonnes sold to long-term customers in China.

In 2019, we established our wholly owned Chinese sales entity FMG Trading Shanghai, a portside sales capability to supply our products directly to Chinese steel mills from regional ports.

This capability is now well established and has allowed us to enhance our service to small and medium-sized customers through direct supply in Renminbi, complementing our existing contractual seaborne arrangements.

World-leading technology

Fortescue was the first company in the world to deploy Caterpillar (CAT) autonomous haulage on a commercial scale when trucks fitted with autonomous haulage system (AHS) technology began operating at the Solomon Hub in 2012.

Today, our AHS fleet is among the largest in the world and demonstrates our unique capability to manage and operate a multi-class truck size autonomous haulage site. In FY21, we celebrated the milestone of surpassing two billion tonnes of material moved.

When our Train Control Centre opened in 2009, we were the first operation in WA to control a railway from outside the region.

Now known as the Fortescue Hive, the expanded, purpose-built remote operations facility was opened in 2020 and includes our planning, operations and mine control teams, together with port, rail, shipping and marketing teams.

The Hive allows team members across our complete supply chain to work together, 24 hours a day, seven days a week, to deliver improved safety, reliability, efficiency and commercial outcomes.

It underpins our future use of technology, including artificial intelligence and robotics, and will evolve to include the generation and integrated distribution network for Pilbara Energy Connect (PEC).

Energy infrastructure

Since October 2019, Fortescue and our partners have announced investments in excess of US\$800 million in significant energy infrastructure projects which will increase our use of renewable energy, a key contributor to our pathway to achieve our emissions reduction targets.

PEC, together with the Chichester Solar Gas Hybrid Project, will deliver 25 per cent of our stationary energy requirements from solar power.

PEC leverages existing assets and provides Fortescue with a hybrid solar gas energy solution that enables the delivery of stable, low cost power and supports the incorporation of additional large-scale renewable energy in the future.

At 30 June 2021, over 660 of the 800 foundations for transmission poles for Stage 1 were completed, 500 poles stood and 150km of transmission line installed.

The new infrastructure builds on our previous energy initiatives, including the construction of the Fortescue River Gas Pipeline and the conversion of the Solomon Power Station from diesel to gas generation.

Fortescue Future Industries

FFI will be a key enabler of our industry-leading target to achieve carbon neutrality by 2030



Exploration

Fortescue began as an exploration company and today our iron ore tenements remain key to maintaining mine life and sustaining product quality in our core iron ore business.

Our exploration activities in the Western Hub, Solomon Hub and Eastern Hamersley are focused on adding high iron content, dry, low cost tonnes to our product suite, providing further optionality for the business.

Study work is progressing at Nyidinghu and in FY21 we acquired a strategic tenement adjacent to our Mindy South iron ore tenement package in the Pilbara.

Recent Australian exploration activity has been primarily focused on early stage target generation for copper-gold in the Paterson, Rudall and Goldfields regions in Western Australia. Additional exploration activity is underway in New South Wales and South Australia, including through the farm-in and joint venture agreement with Tasman Resources in South Australia.

International footprint

We recognise that early stage exploration can unlock significant value. Our world class exploration capability is driving future growth as we target global opportunities and commodities that support decarbonisation and electrification of the transport sector.

Fortescue has a well-established presence in South America. In Ecuador we have concessions prospective for copper in exploration phase covering 135,000 hectares (ha) and in Argentina we currently hold 323,000ha of tenements, prospective for copper-gold.

We are also assessing exploration and development opportunities in Peru, Chile and Brazil, as well as Portugal and Kazakhstan.

Fortescue has a 19 per cent stake in TSX listed Candente Copper Corporation. Our focus on advancing the Canariaco project in Peru.

Fortescue Future Industries

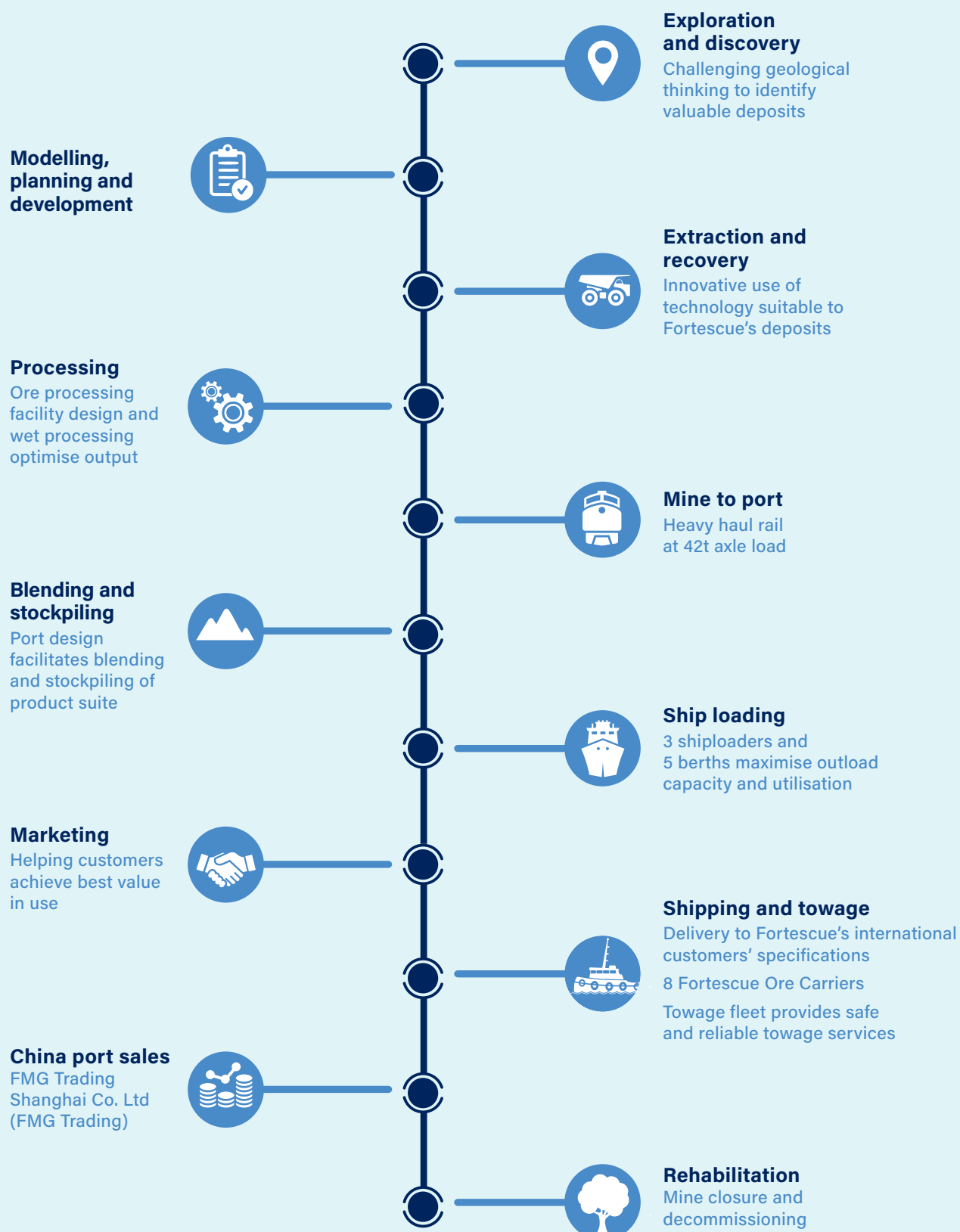
Our 100 per cent renewable green energy and industry company, FFI, is establishing a global portfolio of renewable green hydrogen and green ammonia operations that will position it at the forefront of the global renewable hydrogen industry.

FFI will leverage our world-leading track record of innovation and development of large-scale integrated infrastructure assets to deliver the vision of green hydrogen becoming the most globally traded seaborne energy commodity in the world.

FFI will be a key enabler of our industry-leading target to achieve carbon neutrality by 2030, investing in decarbonisation technologies to remove the use of fossil fuels across our Pilbara operations, including stationary power, buses, trucks, drill rigs, locomotives and ships.

Through the development of green electricity, green hydrogen, green ammonia and other industrial projects, FFI will provide the technology, solutions and capability for heavy industry around the world to commercially adopt other energy sources and carbon-free fuels.

Value chain



A full-page photograph of two female workers in a field. They are wearing white hard hats and high-visibility yellow and blue work shirts. The worker on the right is holding a small plant branch and a white marker, while the worker on the left holds a clipboard. The background is a blurred field of green and brown vegetation under bright sunlight.

02

Our approach to sustainability

**Fortescue is
committed to
empowering
thriving
communities**



We integrate sustainability into all aspects of our business. At the heart of our approach is a commitment to create value for our investors, protect the health and safety of our employees, empower our communities and protect the environments in which we operate.

Our Values form the foundation of our approach to sustainability, and integrity is key to building trust with our stakeholders and setting the ethical and moral compass by which we operate. Integrity inspires us to do what we say we are going to do and to be accountable for the impact of our activities on the community and environment.

By empowering our communities through training, development, employment and business opportunities, we can assist them to thrive and prosper.

Our Board-approved Code of Conduct and Integrity establishes the essential standards of personal and corporate conduct of our employees, suppliers, contractors and all those we do business with. This strong base supports our commitments and principles, and leads to the development and implementation of policies, opportunities and objectives. These inform specific targets, processes and plans applied across our business.

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

Strong governance is critical to ensuring the integration of sustainability across the business and our Board is responsible for the oversight of all sustainability issues, receiving regular updates through our ARMSC.

At the operational level, sustainability is managed by our Chief Executive Officer with support from the Director Sustainability and Corporate Affairs. We have established an executive Sustainability Committee that meets at least quarterly to oversee all sustainability matters. The implementation of our sustainability strategy, related policies and targets is coordinated by the Sustainability team and applied across the business.

A key responsibility of the Sustainability Committee is to ensure that the sustainability strategy, related policies and targets are integrated into investment decision making. Our sustainability strategy provides guidance on what should be considered at each stage of the process.

The early identification and assessment of sustainability matters, including environmental, economic, social and governance risks, alerts Fortescue to potential risks, and enables the planning of mitigation strategies. These assessments may result in amendments to a project or avoidance if the risk of proceeding is found to be too high.

United Nations Sustainable Development Goals

Our priority SDGs

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs), adopted in 2015, set the 2030 global agenda for sustainable development. The SDGs are a call for global action by national governments to end poverty, protect the planet and to ensure all people are able to enjoy peace and prosperity.

We have aligned our approach to sustainability with the SDGs and will continue to work with our host governments as they strive to meet these goals. We have prioritised eight of the SDGs.



Material issues

This report identifies the issues that are material to our business



Material issues are those that may have a significant bearing on our ability to achieve our commitments and targets. These issues 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 FY21, our materiality assessment considered the following:

- Our sustainability initiatives and targets.
- Corporate risk assessments and audits.

- Company policies, standards and guidelines.
- Results of internal and external stakeholder engagement.
- Media and investor interest and feedback.
- Material issues identified by peers, sustainability leaders and materiality analysis.
- Benchmarking and environmental, social and governance assessments.

Priorities were informed by internal and external engagement which included workshops with our employees and a broad range of external stakeholders. Materiality was validated by subject leaders and the Executive team, with 11 issues determined to be material.

Material issues are captured under three sustainability pillars



Setting high standards

- Employee health and safety
- Economic contribution
- Workforce diversity
- Protecting Aboriginal heritage
- Ethical business conduct



Safeguarding the environment

- Climate change action and disclosure
- Protecting biodiversity and water resources
- Tailings management













Creating positive social change

- Creating employment and business opportunities for Aboriginal people
- Building sustainable communities
- Human rights



Our material issues, related targets and links to SDGs

	Target	Result	Location		SDGs
Employee health, safety and wellbeing	Annually, achieve zero fatalities at Fortescue's operations	Zero workplace fatalities	Page 38	●	 
	Reduce total recordable injury frequency rate (TRIFR) year on year to the lowest quartile of the global resources industry	2.0 TRIFR	Page 39	●	
Safety culture	Annually achieve top quartile Safety Excellence and Culture Survey results	99% survey participation rate	Page 40	●	
Alcohol and other drugs	Annual decrease in positive alcohol and illicit drug test results	2% positive alcohol and illicit drug test results	Page 44	●	
Workforce diversity	By the end of 2020, achieve a female employment rate of 25%	21% female employment	Pages 52-54	●	  
	By the end of 2020, achieve an employment rate of 30% females in manager and above roles	25% female employment in manager and above roles 25% female employment in senior leadership roles	Pages 52,54	●	
	Annually, support community-led programs empowering women and ending discrimination	Programs supported include Hedland Women's Refuge and Parity Pledge	Pages 52, 53, 97-101	●	
Preserving Aboriginal heritage	Annually, ensure Fortescue has no impact on Aboriginal heritage without consultation with Aboriginal people	1 reportable heritage incident	Page 61	●	 
Ethical conduct and anti-bribery and corruption	Annually, ensure ethical conduct is maintained by a targeted program including leadership development, training, performance assessments and remuneration	Targeted training with a focus on Leaders. Auditing to ensure ethical conduct	Pages 62-63	●	

● Target met
 ● Target in progress
 ● Target not met

Our material issues, related targets and links to SDGs continued

	Target	Result	Location		SDGs
Protecting biodiversity	Achieve a net positive impact on biodiversity	Ongoing program	Pages 76-80	●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
	Annually, achieve zero significant environmental incidents	Zero significant environmental incidents	Page 76	●	15 LIFE ON LAND
Sustainable water management	Initiate, host and coordinate a series of Mine Water Management Forums about the Pilbara region of WA to encourage the sharing of learnings for practitioners and regulators	Mine Water Management Forum postponed due to the COVID-19 pandemic	Pages 81-84	●	6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Ensure at least 75% of dewatered water at the Cloudbreak and Christmas Creek mine sites is used for beneficial purposes or reinjected via the Managed Aquifer Recharge program	98% of dewatered water from Cloudbreak and Christmas Creek used for beneficial purposes or reinjected	Page 81	●	14 LIFE BELOW WATER
Waste	Recycle more than 80% of our non-mineralised waste volumes at our operating sites, excluding tyres and concrete waste	87% of waste recycled	Page 89	●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Building business capabilities	By 2021, achieve a spend of 10% of total procurement with Aboriginal businesses, with 50% of the number of contracts awarded to businesses with more than 50% Aboriginal ownership	5% spend of total procurement with Aboriginal businesses	Page 93	●	10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES



Target met













Target in progress



Target not met

Note: Performance against climate change action and disclosure is detailed in our FY21 Climate Change Report, which is available on our website at www.fmgil.com.au

Our material issues, related targets and links to SDGs continued

	Target	Result	Location		SDGs
Creating opportunities for Aboriginal people	By the end of 2020, achieve an employment rate of 20% for Aboriginal people across Fortescue	10% employment rate 14% employment rate in Pilbara Operations	Pages 95, 97	●	   
	By the end of 2020, achieve an employment rate of 10% for Aboriginal people in leadership roles	4% of leadership roles held by Aboriginal people	Page 97	●	
	By 2022, achieve an employment rate of 20% for Aboriginal people in skilled trades	26% of Aboriginal employees hold skilled trade positions	Page 97	●	
Building sustainable communities	Annually, achieve at least 5% of actual spend with local Pilbara suppliers	4% of actual spend with local Pilbara suppliers	Page 99	●	 
Our social investment framework	Allocate funding according to priorities set in the community investment strategy	A\$63.2m social investment	Page 101	●	  
Human rights	Active engagement on human rights issues in business	Ongoing active engagement including on modern slavery in the supply chain	Pages 107-109	●	



Target met



Target in progress



Target not met

03

Corporate Governance



Overview of Corporate Governance

Good corporate governance is critical to the long-term, sustainable success of Fortescue. Governance is the collective responsibility of the Board and 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 Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations). Unless otherwise disclosed, Fortescue has reported against the requirements of these Principles and Recommendations.

Our cornerstone principles of 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

Ensuring 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 and appropriate consequences delivered 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.

Our FY21 Corporate Governance Statement is available at www.fmgil.com.au

04

Engaging with stakeholders



Engaging with stakeholders



Our Values guide our approach to build trust and foster inclusive, continuous engagement

Our engagement with stakeholders is underpinned by the Value of integrity and we are committed to ensuring our engagement delivers meaningful outcomes. Our stakeholders include investors, regulators, community members, customers and industry peers.

We take a long-term view and pre-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.

In Australia, our engagement with Aboriginal stakeholders is managed by our Native Title and Heritage teams. We acknowledge the special connection that Aboriginal people have with the land and seek to work with them to build respectful relationships for mutual benefit.

Over the last year, we refined our stakeholder engagement processes and updated our Stakeholder Engagement Guidelines to ensure alignment with the International Finance Corporation's (IFC) performance standards. To support our improved process, we are implementing a new stakeholder database tool across our business. This database will help ensure that, as our activities expand, stakeholder engagement will be undertaken in accordance with the requirements of the jurisdictions we are working within.

Community grievances are managed in accordance with our Grievance Procedure. The procedure outlines a formal process for the community to raise concerns and ensures a level of transparency in grievance management.

Our Grievance Procedure was reviewed and updated as part of our annual assurance program which focuses on continuous improvement and making sure our processes are effective and accessible. The Procedure aligns with the United Nations Guiding Principles on Business and Human Rights.

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 of Conduct and Integrity.

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. The form and frequency of engagement depends on the stakeholder and the issues relevant to them.

Our key stakeholders, their interests and main methods of engagement are summarised below

Our stakeholders

Stakeholders		Engagement
Employees and contractors	Fortescue and our subsidiaries' employees and contractors	Weekly company-wide meetings, intranet, company newsletter, team meetings, surveys, direct engagement, email, Workplace, social media, direct SMS
Communities	Native Title Partners and Traditional Custodians, local residents and businesses, special interest and community groups	Engagements, phone calls, email, newsletters, media including newspapers, meetings, events, website, feedback, sponsorships, Community Grants Program
Suppliers	We source from a range of businesses including local businesses and multinational businesses	Website, emails, direct engagements, monthly/quarterly reviews, health and safety briefings, questionnaires and checklists, supplier visits
Customers	We supply our products to a global market	Direct engagement, email, site visits, market briefings, annual reports including Sustainability Report, Annual Report, Climate Change Report
Shareholders and investors	We share regular updates with analysts, shareholders and investors via our reporting mechanisms	Website, investor briefings, annual general meetings, emails, annual reports including Sustainability Report, Annual Report, Climate Change Report
Government and regulators	We engage across all levels of government, including local, state and national, in multiple countries	Meetings, briefings, emails, formal submissions, website, annual reports including Sustainability Report, Annual Report, Climate Change Report
Non-government organisations	Social investment partners, education institutions, industry groups and peak bodies	Direct engagement, email, events, partnerships, website

Benchmarking

We participate in benchmarking assessments including the S&P Global Corporate Sustainability Assessment (formerly Dow Jones Sustainability Index). The assessments are an important tool to track our performance against stakeholder expectations and peer performance to ensure continual improvement.

Our commitment to external benchmarking initiatives and voluntary standards includes:

- Bloomberg Gender-Equality Index
- S&P Global Corporate Sustainability Assessment
- CDP Climate Change Assessment
- International Council on Mining and Metals (ICMM) Sustainable Development Principles
- Alignment with ISO Standards:
 - 3100: Risk Management
 - 45001: Occupational Health and Safety
- Sustainable Development Goals
- United Nations Task Force on Climate-related Financial Disclosures (TCFD)
- Tax Transparency Code of Australia 2016
- UN Guiding Principles on Business and Human Rights
- Workplace Gender Equality Agency (WGEA).

Memberships and commitments

We are members of a large range of industry groups and associations, which enables us to contribute towards a coordinated approach in the development of effective policy frameworks, facilitates the sharing of best practice and allows us to access information and insights on material issues including climate change.

We consider our memberships annually to ensure they continue to provide value and align with our Values and objectives, including our commitment to the Paris Agreement goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

During FY21, we participated in the following industry groups and associations:

Industry associations

- Association of Mining and Exploration Companies (AMEC)
- Australia Indonesia Business Council (AIBC)
- Australia-China Business Council (ACBC)
- Australian Hydrogen Council
- Australian Institute of Management (AIM)
- Australia-Latin America Business Council (ALABC)
- Australian Resources and Energy Group (AMMA)
- Bell Bay Advanced Manufacturing Zone (BBAMZ)

- Business Council of Australia (BCA)
- Chamber of Commerce and Industry of Western Australia (CCIWA)
- Chamber of Minerals and Energy Western Australia (CME)
- Clean Energy Council (CEC)
- Committee for Economic Development of Australia (CEDA)
- Committee for Perth
- Corporate Tax Association
- DomGas Alliance
- Green Hydrogen Organisation (GH₂O)
- Hydrogen Council
- International Hydropower Association (IHA)
- Launceston Chamber of Commerce (LCC)
- New South Wales Minerals Council (membership terminated, effective 30 June 2021)
- New Zealand Hydrogen Council (NZHC)
- Port Hedland Industries Council (PHIC)
- South Australian Chamber of Mines and Energy (SACOME)
- Supply Nation
- Sustainable Markets Initiative (SMI) – Hydrogen Taskforce
- Tasmanian Minerals, Manufacturing and Energy Council (TMEC).



Research organisations

We are actively developing for commercialisation the technologies required to decarbonise our operations, 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, we have initiated a range of partnerships with the following associations and consortiums to accelerate this work:

- Australian Industry Energy Transition Initiative
- Clean Fuel Ammonia Association
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Global Liquid Hydrogen (LH₂) Consortium
- Green H₂ Consortium
- Heavy Industry Low-carbon Transition (HILT) Cooperative Research Centre
- National Hydrogen Strategy Taskforce
- United Nations Global Compact
- WA Renewable Hydrogen Council.

Awards and recognition

In FY21, Fortescue was recognised with the following awards:

- **Parity.org Best Companies for Women to Advance List**
 - Listed for the second year
- **CME Women in Resources**
 - Pooja Haria
 - Outstanding Young Woman in Resources winner
 - People's Choice
- **40 under 40 Awards**
 - Katie Charuga-Andrijasevic - Winner
 - Dr Bart Kolodziejczyk - Finalist
- **BCA Biggies Awards** - Finalist

CASE STUDY

Fortescue named global leader in the 2020 Dow Jones Sustainability Indices

Fortescue was recognised globally for our corporate sustainability performance after being listed in the 2020 Dow Jones Sustainability Indices (DJSI), including both the World and Australian indices.

The DJSI is the longest-running benchmark for the assessment of the sustainability performance of the world's largest companies against key environmental, social and governance (ESG) criteria.

This is Fortescue's second year listed on the DJSI World Index, which comprises corporate leaders in global sustainability and represents the top 10 per cent of the largest 2,500 companies in the S&P Global Broad Market Index, based on long-term economic and ESG factors.

"We are honoured to once again be included in the Dow Jones Sustainability Indices, reflecting our

ongoing commitment to hold ourselves to the highest standards and to ensure sustainability is integrated across all aspects of Fortescue's business," CEO Elizabeth Gaines said.

This is a significant milestone for Fortescue, as at the heart of our approach to sustainability is our commitment to creating value for our stakeholders, protecting the health and safety of our Fortescue family and supporting the communities and environments in which we operate.

"From the outset, it has been our vision to ensure the communities in which we operate benefit from our success, and this extends to building vibrant regional centres and empowering Aboriginal people through training, employment and business development opportunities," Ms Gaines said.

05

Setting high standards





Employee health, safety and wellbeing

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

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.

Safety is deeply ingrained in our culture and we strive to be a global leader. During FY21, there were no workplace fatalities at any of our sites and no workplace prosecutions in relation to workplace safety breaches. There have been no fatalities on our sites since 2013.

We seek continuous improvement using industry metrics and benchmarking. Our health and safety management system aligns with the International Standard for Occupational Health and Safety, ISO 45001.

Our Board has ultimate responsibility for the management of safety and occupational health, while the Executive team has responsibility for managing health and safety across daily operations.

Our safety culture is built from the ground up, with all team members required to uphold the highest standards. This builds an environment where everyone feels empowered to pause, reassess the task and implement controls where needed.

To foster this safety culture, we work with industry and regulatory leaders to maintain the highest standards of education, coaching, training, monitoring and reporting.

We manage and mitigate high risk events through a risk profile reduction program and critical control auditing. Critical control auditing is undertaken by our Leaders to ensure these controls are effective.



OBJECTIVE

TARGET

To be global leaders in safety across all operations.

- Annually, achieve zero fatalities at Fortescue's operations.
- Reduce total recordable injury frequency rate (TRIFR) year on year to the lowest quartile of the global resources industry.

Total recordable injury frequency rate



Significant incident frequency rate per million hours



During FY21, the significant incident frequency rate (SIFR) per million hours decreased from 3.2 in FY20 to 2.4. Our company-wide focus on improving safety has seen our total recordable injury frequency rate (TRIFR) reduced to our lowest ever rate of 2.0, which represents a 17 per cent reduction over the last year.

Injury management and the care for injured team members has been a focus during FY21, which has led to a reduction of our injury severity rate from 67 in FY20 to 61 in FY21.

The rates provided include all employees and contractors working across Fortescue's operational sites and are based on one million hours. The severity rate captures days lost and days restricted from work.

Injury severity rate



Safety culture

OBJECTIVE

To ensure a leading safety culture and an organisation that actively cares for employees and contractors.

TARGET

Annually, achieve top quartile Safety Excellence and Culture Survey results.

Each year, we conduct a Safety Excellence and Culture Survey of our employees and contractors. The survey is a valuable tool to measure engagement across our business

The FY21 survey was completed by 13,450 employees and contractors, representing 99 per cent of our permanent workforce. More than 33,500 comments and suggestions were also received.

We use enhanced analytics to evaluate the survey results, identify trends and ensure continual improvement. In FY21, 10 of the 12 culture elements benchmarked Fortescue in the top quartile.

CASE STUDY

Supporting our team members on the road

FFI uses an all hazards approach to ensuring the safety and security of its team members when travelling, both in Australia and overseas.

Prior to departure, team members are trained in the safety and security controls required in the location where they are working. This training includes communication, emergency response awareness, high threat response training and COVID-19 management.

While travelling, team members are supported on the ground by local Business Assurance teams who conduct forward planning analysis and journey management planning. Their local knowledge and networks are essential to ensuring the safe passage of our team members. Bespoke Emergency Response Plans are developed for higher risk countries.

While travelling abroad, our teams are in constant mobile and satellite communication, with GPS tracking if it's available when in the field.

After returning to Australia, FFI supports the wellbeing of team members with regular contact and daily health and fitness sessions while in hotel quarantine. Additional support is also provided via our Employee Assistance Program and Chaplaincy service, both of which are available 24 hours a day, seven days a week.

Safety Excellence and Culture Survey results



	Management		Leader		Team		Self	
Valuing	MV	Management value people	LV	My leader values people	TV	My team value each other	SV	I am proud of Fortescue
Leading	ML	Management are credible	LL	My leader looks out for me	TL	My team support each other	SL	I go above to help others
Safe	MS	Management value safety	LS	My leader supports safety	TS	We look out for our mates	SS	I take control

A Net Promoter Score (NPS) of +31 indicates that most respondents would recommend Fortescue as a place to work.

Wellbeing



The physical and mental health of our employees and contractors is a key focus

In 2016, we developed our Mental Health and Wellbeing Blueprint which provides the framework for how we support the health and wellbeing of our Fortescue family.

We have also undertaken a Mental Health Risk Assessment which focuses on preventative controls to protect the mental health of our workforce and reactive controls to help manage and support recovery after a mental health incident.

This risk assessment was developed in consultation with teams across the business and included subject matter experts from our People team, Chaplains, senior operational team members, accommodation teams and health and safety professionals. This consolidated risk assessment captures existing controls as well as opportunities for improvement.

Our Chaplaincy team, a dedicated pastoral care service, offers support to all employees, contractors and their families with Chaplains available at all our sites. Additionally, our Employee Assistance Program (EAP) offers 24/7 support via professional counselling services for employees, contractors and their families.

COVID-19

Throughout FY21, we worked with our employees, contractors, industry groups and government agencies to maintain and improve our Fortescue COVID-19 Management Plan.

We implemented a number of COVID-19 prevention controls including:

- Education and awareness programs for our health professionals and team members.
- Ongoing communication on restrictions, preventative measures and controlled interstate borders.
- Protecting our at-risk communities.
- Supporting employees and contractors by providing accommodation in Perth when unable to travel back to the state they reside in.
- Temperature screening of employees and contractors when entering our offices and sites, point of care serology screening on a voluntary basis and polymerase chain reaction (PCR) testing and isolation for symptomatic individuals.
- Ongoing development and testing of our COVID-19 Response Scenarios.

In addition to our COVID-19 controls, more than 2,620 team members accepted a voluntary flu vaccination at their Fortescue site or office.



CASE STUDY

Improved data brings health and safety benefits

In FY21, Fortescue's data-visualisation improvement project produced a suite of health and safety dashboards.

These live, interactive dashboards cover a range of performance areas including injuries, illness, fatality and injury prevention initiatives, and significant injury trending.

These data visualisation enhancements allow teams across Fortescue to use health and safety data to quickly understand our areas of strength as well as emerging risks and opportunities. Using this data, team members implement additional controls or strategic work plans to reduce any risks.

CASE STUDY

Managing fatigue the smart way

Fatigue management is critical to ensuring a safe and healthy workforce. Throughout FY21, we continued to use fatigue management tools to support workforce planning and a safe working environment. This includes the use of FAID, a roster analysis software that helps quantify roster fatigue risks, allowing Leaders and team members to predict fatigue risks and put controls in place.

In FY21, we extended the use of SmartCap, a wearable technology that monitors brain activity and provides users with real time feedback on their level of fatigue, empowering them to make adjustments and reduce the likelihood of a fatigue event occurring. During FY21, 198 units were in operation across our sites.

Reporting tools that identify team members working additional hours and a process to support Leaders making changes to reduce fatigue risks are also used across our sites.

During FY21, we purchased sleep apnoea equipment to allow our Perth and site-based employees and contractors to self-test for sleep apnoea risks. Together with additional support, team members can improve their sleep quality and reduce the fatigue risks associated with obstructive sleep apnoea.





Alcohol and other drugs

OBJECTIVE

To address the prevention of substance abuse, including the harmful use of alcohol and illicit drugs.

TARGET

Annual decrease in positive alcohol and illicit drug tests.

In FY21, we conducted 8,324 drug tests across our sites through random, blanket or 'for cause' programs

Alcohol and other drug testing was also undertaken during inductions in Perth, in addition to pre-employment testing, to ensure team members joining us are safe to work on site. In FY21, two per cent of our drug tests returned positive results.

To prevent and manage substance abuse, we implement a range of initiatives including online awareness and training, the 'Speak Up' program and support through our leadership teams, our Chaplains and the EAP.



Emergency management

Our operational teams plan, prepare, and respond to emergencies by following the 'plan, do, check, act' management methodology.

Each site assesses relevant emergency scenarios and develops specific emergency management plans to ensure we are able to respond adequately. These plans are developed in consultation with relevant stakeholders, including local governments and external emergency services providers including the Royal Flying Doctor Service.

Each site has a trained Incident Management team, responsible for the decisions and actions required to address an emergency and support recovery efforts. In addition, each location has a fully trained Emergency

Services team who provide on the ground support in an emergency.

Depending on the risks involved, locations may have fully trained medical personnel available to respond. Equipment, vehicles and facilities are also provided where required.

Emergency exercises are planned and conducted throughout the year to ensure our teams are available to respond to emergencies as they arise. We also assist local government emergency response teams where additional assistance is required. In FY21, Fortescue helped respond to community emergencies that occurred near our Pilbara operations, including multiple incidents in Karijini National Park.

CASE STUDY

Identify Then Rectify program

In November 2020, we held workshops across our sites to gain feedback on how we identify and rectify exposures that could lead to injuries. During these workshops we found that the traditional submission and actioning of hazard reporting did not address the underlying causes of injuries or provide a sufficient feedback loop.

To address this issue, we developed the hazard identification program 'Identify Then Rectify' (ITR) which seeks to address the downfalls of traditional hazard identification programs. The ITR program starts with a detailed and systematic analysis of each site's recordable injury history to set a baseline.

Teams generate ideas to reduce the causes of the injuries in a workshop style forum. Employees are encouraged to continue to identify hazards that could result in injuries in their work environment every day. This is done through a mobile application where ideas are submitted while on the job to a supervisor. Feedback is tracked electronically on each submission.

ITR empowers the Fortescue family to take ownership of health and safety in their area and to share their ideas to further reduce risks throughout the organisation. Each idea is reviewed and approved by a supervisor and measured for effectiveness, so that the right ideas are progressed. ITR is considered an important tool in reducing injuries for Fortescue.

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 at 30 June 2021, we engaged 10,164 employees globally. Of these, 530 were permanent part-time employees and 1,915 people worked under labour hire contracts. 9,732 employees are based in Australia with the remainder working overseas in countries including China, Ecuador, Argentina, Portugal, Papua New Guinea and Singapore.

Forty two per cent of our employees are covered by enterprise agreements and the annualised voluntary turnover in FY21 was eight per cent.

We respect freedom of association and the right to a fair wage and we ensure 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.



Employee engagement

We are renowned for our unique and differentiated culture and recognise that employee engagement is integral to building and maintaining this. Employees are empowered to provide feedback and help shape the way we operate. We encourage and measure engagement with team members through a number of mechanisms including forums, surveys and workshops.

Our Values Forums are an important component of this engagement, allowing our Executive team to provide business updates and lead discussions on our Values. During FY21, we held Values Forums across all sites, and three online Workplace live events encouraging team

members to ask our Senior Leaders questions. We also held four Senior Leaders Forums over the year and senior Leaders visited sites regularly to engage with our people.

Our annual independent Safety Excellence and Culture Survey was conducted in FY21. The survey is a valuable tool to engage with employees and contractors. A summary of the survey results is provided on page 43.



Northern Spirits award categories



Recognising individuals

Northern Spirits, our employee recognition program, celebrates and rewards team members (employees, contractors and labour hire) who strive to build and strengthen our culture.

Northern Spirits originated as a symbol of triumph of spirit over adversity following the tragedy that emerged from Cyclone George in 2007. In FY21, there were 25 winners. Since the program's inception in 2015, 174 employees have been recognised.

Winners are recognised at a breakfast with the Executive team where they are presented with a commemorative trophy. They also have the opportunity to spend a morning in the Fortescue Centre learning about our history and the future of the business.

In FY22, we are refreshing the Northern Spirits program, which will include updating our Northern Spirits categories and the frequency of recognition.

Tenure recognition

Fortescue recognises those who have contributed to our Company by celebrating our five, 10 and 15 year Legends with cocktail events held in Perth and Port Hedland. In FY21, we celebrated over 600 Legends.

Development opportunities

Our dedicated Training and Organisational Development team provides employees and contractors with a range of educational and professional development opportunities. Individual training plans are developed by employees in consultation with their direct leaders as part of the biannual performance review process.

Our Leaders are provided with appropriate training to allow them to excel and support their team. Our Leadership Excellence Pathway Program comprises three components:

- **Leading the Values** - Training provided to new starters in leadership roles with 42 team members completing this training in FY21.
- **Leadership Fundamentals Program** - For team members with six to 12 months in a leadership role. In FY21, 250 team members completed this program with 1,265 Leaders trained since the inception of the program.
- **Advanced Leadership Program** - For team members with two to three years experience in a leadership role. In FY21, 14 Leaders completed this program, with 399 Leaders trained since the inception of the program.

During FY21, we worked closely with our Leaders and external providers to implement a COVID-19 Training Support Plan, with team members offered access to a number of online development programs, including:

- Leadership Fundamentals Program
- Projects Leadership Program
- Leadership Podcast Series
- Public Speaking and Virtual Presentation Skills Workshops
- One-on-one Leadership Coaching
- Australian Institute of Management (AIM) WA courses.

In FY21, we held eight Empower Programs, the most in one year to date. The program is designed to support high performing team members develop their career pathway. At least 50 per cent of those nominated for participation are female.

An apprenticeship program aimed at training leading hands and high-performance employees to become supervisors is under development.

Measuring effectiveness

We measure the success and outcomes of our training programs through the following:

- **Feedback** – Surveys that follow the delivery of training assess whether learning outcomes have been met.
- **Learning** – An annual assessment is undertaken to better understand learning objectives and outcomes for employees.
- **Performance monitoring** – Review how employees apply their learnings.
- **Results** – Measure business outcomes by evaluating employee retention, productivity and morale.

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

During FY21, 100 per cent of our employees across all sites participated in training with an average of 32 hours per employee.

CASE STUDY



Leading the Values program

Our Values and behaviours guide everything we do. To support our Leaders in driving success in their teams through our unique Fortescue culture, the Organisational Development team introduced a one-day Values induction for all new Leaders in May 2021.

This one day, face-to-face program called Leading the Values explains Fortescue's Values in detail to new Leaders entering the business as well as those who have been promoted internally into a leadership position.

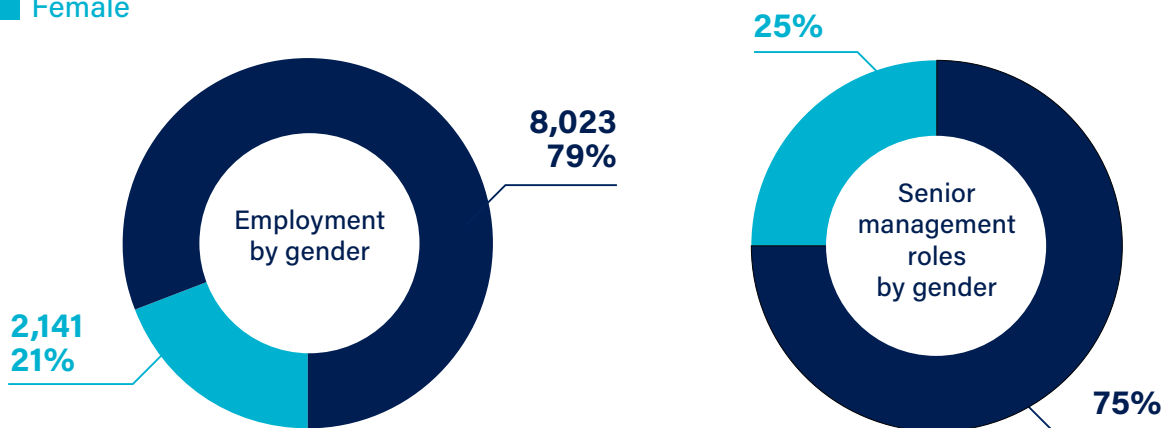
The course covers how the Fortescue Values and behaviours guide our Leaders to make decisions and manage teams effectively, along with recruiting new team members who display our Values.

To date, 42 Leaders have attended this training to set them up for success in their leadership positions.

Workplace diversity



■ Male
■ Female





OBJECTIVE

Increase the number of female employees and Leaders to build a more inclusive culture.

TARGET

- By the end of 2020, achieve a female employment rate of 25 per cent.
- By the end of 2020, achieve a female employment rate of 30 per cent in manager and above roles.

OBJECTIVE

Support the empowerment of women and end discrimination in local communities.

TARGET

Annually, support community-led programs empowering women and ending discrimination.

CASE STUDY

Fortescue included on the Best Companies for Women to Advance List 2020

Thirty-four companies across the globe made the 2020 List, with Fortescue the only Australia-based company to be featured.

In 2019, Fortescue was one of the first companies in Australia to sign Parity.org's ParityPledge to bring gender equality to the highest levels of business, making a public commitment to interview at least one qualified woman for every executive position.

Fortescue CEO Elizabeth Gaines said, "Fortescue has long advocated the benefits of diversity, and research continues to reinforce our view and experience that building a diverse workplace is not just the right thing to do, it's the smart thing to do.

"In fact, I believe our inclusive, diverse culture has strongly influenced Fortescue's industry-leading performance, and has contributed to a 54 per cent increase in our market capitalisation over the last 12 months.

"Setting the tone for equality in the workplace starts from the top and I am proud that Fortescue continues to lead



from the front with 44 per cent female representation on our Board of Directors and a diverse management team with women representing 25 per cent of our senior leadership.

"This is why we remain focused on building a pipeline of aspiring female Leaders through a range of practical initiatives including paid parental leave, flexible working arrangements and leadership development programs," Ms Gaines said.

Parity.org Founder and CEO Cathrin Stickney said, "These companies are examples of commitment and intentionality in levelling the playing field for women and paving the way for them to succeed and advance their careers, making gender parity at the top levels possible."

Championing diversity

Increasing female and Aboriginal employment rates remains a key priority for Fortescue. Following extensive consultation in FY21, we have expanded our diversity areas to include the following key groups:

- Diversity of age
- LGBTQI+
- Culturally diverse backgrounds
- Differing abilities.

Our Diversity Plan outlines our objectives and targets and was informed by 62 one-on-one and group consultation sessions and surveys with our employees.

Our female employment rate continued to increase in FY21 with females holding 21 per cent of total positions and 25 per cent of senior leadership roles. At our Perth offices, 36 per cent of employees are female.

While our female employment numbers continue to increase, the target of 25 per cent by 2020 was not reached. Moving forward, our focus remains on having a workforce that reflects the community in which we live.

We have a number of inclusion and diversity initiatives to build talent pools and provide a supportive workplace for all employees, including:

- 16 weeks paid parental leave for primary carers
- Commitment to gender pay equity
- Flexible working arrangements
- Operation of our Family Room at the Fortescue Centre in Perth
- Ongoing support for In-home Childcare in Port Hedland, introduced in May 2019.









Our flexible work arrangements were utilised by 550 of our employees, both male and female, during FY21.






During the COVID-19 pandemic, office based employees utilised our Temporary Work Management Guidelines, including working from home arrangements.

Over 99 per cent of carers returned to work in FY21 following parental leave and 303 children accessed the Fortescue Family Room in Perth.

Our Board has ultimate responsibility for diversity and inclusion matters through the Remuneration and People Committee.

Supporting our female employees

Goal	Target	Progress	SDGs
Promote female employment	Company-wide target: By the end of 2020, achieve female employment rate of 25%	<ul style="list-style-type: none"> The number of female employees reached 2,141, an increase from 17% in FY17 to 21% in FY21 The target of 25% female participation was exceeded in the following programs: <ul style="list-style-type: none"> - Empower Program - CEO for a Day - VTEC 	   
	Recruitment team and external contractors target: Achieve 25% female recruitment	<ul style="list-style-type: none"> Females made up 26% of job applicants compared with 25% in FY20 28% of female job applicants were appointed to roles 21% of labour hire appointments were females 	
Build talent pools	Flexible work arrangements	<ul style="list-style-type: none"> 550 employees accessed flexible work arrangements, of whom 33% were female 	   
	Promote Fortescue as an employer of choice for women	<ul style="list-style-type: none"> Senior leaders promoted our diversity goals and performance at various functions and events including: <ul style="list-style-type: none"> - International Women's Day - Women in Mining WA - Empower your Career Summit Our Empower your Career Summit promoted Fortescue as an employer of choice with an emphasis on female employment opportunities Internal promotion with a focus on transparency in recruitment and promotion opportunities Highlighting the importance of diversity in the wider community through conferences and initiatives such as signing the ParityPledge Partnering with Mentor Walks to provide women with the opportunity to connect with female Leaders 	
	Attract parents to return to work following career breaks	<ul style="list-style-type: none"> 99% of primary carers returned to work following parental leave 	
	Encourage and support female employees to obtain professional qualifications	<ul style="list-style-type: none"> In FY17, Fortescue's Trade Up Program was opened to women. 71 females have since joined Trade Up, nearly 30% of overall participants In FY21, 39 females participated in Trade Up We encourage female employees to obtain qualifications and further their career opportunities through our biannual performance review program, SuccessFactors and via our Rookies and Coaches mentoring program 	

Goal	Target	Progress	SDGs
Create a workplace which supports diversity	Celebrate success in diversity through our recognition programs	<ul style="list-style-type: none"> In FY21, three Northern Spirits recipients were recognised for their role in encouraging female employees to thrive 	  
	Encourage all eligible employees to access paid parental leave and to return to work following parental leave	<ul style="list-style-type: none"> The number of both males and females accessing primary carer paid parental leave increased from previous years 550 direct employees utilised flexible working arrangements 	
	Conduct biannual contractor gender diversity forums to share learnings across partners and WA industry more generally	<ul style="list-style-type: none"> One forum was held during the year attended by 17 suppliers, with a committee formed to manage the implementation of actions. COVID-19 restrictions prevented a second event being held 	
Provide childcare options	Operate our Family Room at the Fortescue Centre in Perth	<ul style="list-style-type: none"> The Fortescue Family Room operates 24 hours a day, seven days a week and cared for 303 children in over 1,835 stays during FY21. The facility was temporarily closed in FY21 due to the COVID-19 pandemic 	
	In-home Childcare for Port Hedland	<ul style="list-style-type: none"> Our In-home Childcare in Port Hedland continues to be utilised 	
	Support employees with family responsibilities through family site visits and community-based family support	<ul style="list-style-type: none"> Family and friends hosted at each site during FY21: <ul style="list-style-type: none"> - 253 at Cloudbreak and Christmas Creek - 143 at Solomon Hub - 79 at Eliwana Some tours were postponed in FY21 due to the COVID-19 pandemic 	
Promote opportunities for women to move into leadership positions	By the end of 2020, achieve a female employment rate of 30% in manager and above roles	<ul style="list-style-type: none"> 25% female employment rate in manager and above roles 25% female employment rate in senior leadership roles 	 
	Identify females with leadership potential, with a focus on operational roles, through talent reviews and ensure participation in leadership development programs	<ul style="list-style-type: none"> During FY21, 67 females participated in the Empower Program, where at least 50% of the participants are women. The program is designed to empower and support high performing employees in developing their career path 	
	Continue the CEO for a Day initiative and mentoring programs	<ul style="list-style-type: none"> Two female participants of a total of four, participated in CEO for a Day in FY21 We continue to encourage and support our mentoring program, Rookies and Coaches, which is available to all employees During FY21, 245 mentees and 84 mentors participated in Mentor Walks, a mentoring program which aims to connect female participants with female Leaders from across Perth Fortescue sponsored two women as part of the Women in Mining WA (WIMWA) mentoring program 	 

Eliminating bullying and harassment

We are committed to providing a workplace that is free from discrimination, bullying and harassment. Our Code of Conduct and Integrity, Equal Opportunity Discrimination and Workplace Bullying Policy and our Fair Treatment Procedure outline our expectations of employees, contractors and suppliers. These expectations are highlighted through inductions, training and leadership development programs. Our leadership

development programs also focus on inclusive behaviour, 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, including our internal 'Speak Up' hotline, and our external Whistleblower Hotline service.

CASE STUDY

Providing a safe and inclusive workplace for all team members

Fortescue is committed to providing a safe working environment for all our team members.

In response to the case of alleged sexual assault at a Fortescue operational site that was reported by the media in June 2021, CEO Elizabeth Gaines acknowledged that the allegations were deeply disturbing.

Fortescue has a zero tolerance approach to harassment, bullying or intimidation. Harassment of any kind is considered serious misconduct and may be grounds for dismissal.

Respect and integrity are the cornerstone of our culture and we are committed to a safe and inclusive workplace where all of our team members feel empowered to speak up.

Fortescue will fully cooperate and assist with any Parliamentary inquiry into the safety of women on mine sites.



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.

Our suppliers

We work closely with our suppliers to ensure their products and services meet our expectations and that they too are striving for the sustainability standards we have set ourselves. We hold workshops with key suppliers annually where we can share our learnings and work together to improve diversity in our workplaces.

Supporting science, technology, engineering and maths

We recognise the growing importance of science, technology, engineering and maths (STEM) education and invest in a variety of initiatives which encourage the uptake of STEM subjects in schools and universities, with a focus on those which promote diversity, including:

- Australian Resources and Energy Group (AMMA) Bright Future STEM Primary School Program
- Pilbara Resources Technology Program
- Perth Modern School's Mechatronics Engineering Scholarship
- China-Australia University Tour
- Teach Learn Grow: Rural Program, Nullagine Primary School
- Open University Hong Kong virtual business updates and tours of the Fortescue Centre, in collaboration with the University of Western Australia
- Vacation and Graduate Recruitment Fair.

CASE STUDY

Fortescue sponsors 2021 Resources Technology Showcase



Fortescue returned as a sponsor of the Resources Technology Showcase in 2021, providing thousands of West Australian students with the opportunity to see the technology being used in the mining and resources sector.

In an Australian-first demonstration at the expo, our team members successfully operated a dozer at our Christmas Creek operations from 1,500 kilometres away in Perth using the Cat MineStar Command for dozing operator station.

In collaboration with Caterpillar Inc, Fortescue has been trialling the dozing technology since October 2019 as part of an expansion of the our autonomous capability which is delivering significant productivity and efficiency benefits for the business.

Fortescue CEO Elizabeth Gaines said, "Western Australia's mining sector is the most innovative in the world, and Fortescue is pleased to be able to showcase some of the cutting-edge technology that is utilised in the sector.

"Underpinned by our value of generating ideas, Fortescue has been at the forefront of innovation in the mining industry. We were the first in WA to control a railway from outside a region of operation and the first company in the world to deploy Caterpillar autonomous haulage on a commercial scale," Ms Gaines said.

Looking forward

The following initiatives have been prioritised for FY22:

Promote female employment

- Company-wide target: Increase the female employment rate each year across our Australian operations as we target a workforce that reflects the Australian population of approximately 50 per cent females.
- Increase women in trades and professional roles through existing and new development programs.
- Continue consultation with employees through dedicated sessions, forums and surveys with a focus on engagement and retention strategies for female employment.

Provide opportunities for women to move into leadership positions

- Increase the female leader employment rate in manager and above roles across our Australian operations.
- Continue to provide career development opportunities for emerging and senior female Leaders.
- Continue the internal promotion of diversity with a focus on transparency in recruitment and promotion opportunities.
- Identify and continue to support women aspiring to be Leaders as part of our succession planning.

Build talent pools

- Continue to build talent pools to meet our ongoing growth requirements by providing training opportunities, graduate programs, work experience, vacation programs and secondments.
- Promote Fortescue as an employer of choice for women through targeted programs and initiatives such as the Empower Program, flexible work arrangements, mentoring opportunities and open days at the Fortescue Centre.

Foster a workplace which supports diversity

- Implement a targeted diversity strategy, ensuring diversity across all Fortescue locations.
- Continue discussions with key suppliers and contracting partners on increasing diversity in their businesses.

Provide childcare options

- Continue supporting families through flexible work arrangements and childcare facilities in Perth and Port Hedland.

Promote diversity through the employment of the following groups:

- 18 to 25 demographic
- 50+ demographic
- Those who identify as LGBTQI+
- Those with differing abilities or who care for those with differing abilities
- Those from different cultural backgrounds.

CASE STUDY



Fortescue Future Industries

Proudly diverse, the rapidly growing FFI team reside in eight hubs across the globe and have a strong focus on employing the right people to get the job done.

Rachelle Doyle, the company's Hydrogen Technology Lead, joined in October 2020 and is responsible for technology selection and delivery of FFI's research and development programs. Rachelle believes employing team members from diverse backgrounds is key to ensuring thought diversity, a critical component in the successful delivery of FFI's stretch targets.

"Be it gender, culture, ethnicity, experience or age, diversity in all aspects is essential and the benefits of a diverse team are evident at FFI.

"Having a broad range of perspectives allows us to engage respectfully and positively, to find new and different ways of working and solving the challenges we collectively face as we strive to deliver on FFI's mission."

CASE STUDY

Empower your Career Diversity Summit

Fortescue's Empower your Career Diversity Summit was held in November 2020 to showcase the wide range of careers available at Fortescue.

By speaking to people from Fortescue and our contracting partners including Action, Chandler McLeod, Sodexo, Civmec, Primero, Downer, Workpac, Goodline, Thiess, Westrac, Ibis Styles, and Programmed, the 157 participants who attended the event were able to learn about the many fantastic career opportunities on offer.

A skills workshop at the event taught resume and cover letter writing skills and provided information on how to apply existing skills to the mining industry.

Guest speakers from across Fortescue, including Jenn Morris from Fortescue's Board of Directors, presented their personal stories and key insights from their career journeys.



Our commitment to preserve and promote Aboriginal history and culture is embedded in our approach to operating sustainably and responsibly



Preserving Aboriginal heritage

We work in partnership with the Traditional Custodians of the land where our projects are located to ensure sites of cultural significance are identified and protected.

We respect and acknowledge the UN Declaration on the Rights of Indigenous Peoples and the human rights principles it embodies, including the principle of Free, Prior and Informed Consent. In alignment with the principles of the International Council on Mining and Metals (ICMM), we work to obtain the consent of Traditional Custodians 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.

We have strong relationships with the Traditional Custodians of the Pilbara region, which are built on open and transparent engagement, mutual respect and the development of comprehensive Native Title Agreements.

We have dedicated Aboriginal heritage, Native Title and community development teams, empowered to work hand in hand with our Traditional Custodians to ensure Aboriginal heritage is managed sustainably and responsibly.



Engagement with Traditional Custodians is undertaken in accordance with our Stakeholder Engagement Framework which ensures regular, open, transparent and inclusive communication. The framework ensures that Aboriginal communities that may be impacted by our operations are identified and their interests and needs are considered.

OBJECTIVE

Work together with Aboriginal people to manage Aboriginal heritage responsibly and sustainably.

TARGET

Annually, ensure Fortescue has no impact to Aboriginal heritage without consultation with Aboriginal people.

Native Title Partners

Fortescue is party to seven native title Land Access Agreements. We have registered Indigenous Land Use Agreements (ILUAs) with Kariyarra, Palyku and Nyiyaparli Native Title Groups, and Land Access Agreements (LAAs) with the following Native Title Partners (NTP):

- Martu Idja Banyjima
- Eastern Guruma
- Puutu Kunti Kurrama and Pinikura (PKKP).

We also have a Project Area Agreement with the Nyamal People NTP. We are committed to working closely with each of our NTPs to convert LAAs into ILUAs.

These agreements outline detailed processes, procedures and principles for the identification, management and protection of significant Aboriginal cultural heritage and provide a range of benefits to NTPs, including vocational training and employment opportunities, commercial contracting arrangements and financial compensation.

Through our seven LAAs and many dozens of Aboriginal heritage agreements, we have worked closely and transparently to protect and avoid over 6,000 heritage places.

CASE STUDY

Joint Standing Committee on Northern Australia Inquiry

In 2021, Fortescue participated in the Joint Standing Committee on Northern Australia Inquiry into the destruction of 46,000 year old caves at the Juukan Gorge in the Pilbara region of Western Australia.

We acknowledge the PKKP peoples and their grief over the loss of cultural heritage at Juukan Gorge.

The destruction of Juukan Gorge has refocused our industry, the government and our communities to ensure that an appropriate balance is found between protecting significant Aboriginal heritage and facilitating local jobs and economic growth.

Fortescue supports a number of the recommendations in the Committee's interim report relating to sharing of information, supporting mapping and truth telling initiatives as well as working with Traditional Custodians.

We are committed to the protection of significant Aboriginal heritage and we believe that by working together, the mining industry can continue to enhance processes, working within the framework of the relevant legislation. We also continue to support the modernisation of Western Australia's Aboriginal heritage protection law, including legislating an increased voice for Aboriginal people and equitable rights of appeal for all parties.

Identification of Aboriginal heritage sites

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

During FY21, we undertook multiple heritage surveys in the Pilbara region. The outcomes of these surveys are shared with stakeholders through various mechanisms, including via NTP heritage subcommittee meetings which also provide an opportunity to discuss learnings and improvements.

To date, we have archaeologically heritage surveyed over 273,000 hectares, and ethnographically heritage surveyed over 2.6 million hectares of land.

Management and monitoring

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

We work in partnership with Traditional Custodians to protect and manage places with special significance by applying the Heritage Restriction Zones status to a site and restricting access.

We maintain a register of cultural heritage sites and record site details in a highly sophisticated Geospatial Information System. 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. This may include sites such as rock shelters, walled niches or other sensitive sites.

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 Department engages heritage monitors from the relevant Native Title Group. Action is undertaken to address any impacts and processes are amended where required to ensure the issues do not arise again.

Promoting Aboriginal culture

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

We continued to deliver cross-cultural awareness training during FY21, with 2,501 employees and contractors undertaking the mandatory training. Heritage inductions are provided to employees or contractors who may encounter heritage sites through their work. Since inductions commenced in 2006, 12,235 heritage inductions have been delivered across the business.

CASE STUDY

Weelumurra Creek incident

In February 2021, a heritage incident was recorded and reported at the Solomon Hub relating to works required for the construction of the Queens Valley Hydraulic Barrier Wall. The purpose of this wall is the protection of the cultural and environmental values of the important Weelumurra Creek.

Approvals for this work required that representatives from our Native Title Partners, Wintawari Guruma Aboriginal Corporation (WGAC) be offered the opportunity to be present during the works. Regrettably, initial works to clear top soil and some vegetation occurred without WGAC having time to accept this offer. The total area cleared accounts for 0.05 per cent of the total Weelumurra Creek Aboriginal site.

The works were suspended as soon as the clearing was identified and the incident was self-reported by

Fortescue to WGAC and the Department of Planning, Lands and Heritage.

A full investigation was carried out, which showed that the incident occurred as a result of an administrative error. Controls have been implemented to remove the risk of human error leading to such an outcome again.

We acknowledge the distress that Eastern Guruma/Wintawari community members are experiencing as a result of this incident and we expressed our regret and sincere apology to the Chairman and Board of Directors of WGAC.

We have implemented lessons learned from the incident investigation and are committed to ensuring our systems and processes build on our strong record of respecting and protecting significant Aboriginal cultural heritage.

Work in this area has recommenced with the support of WGAC.

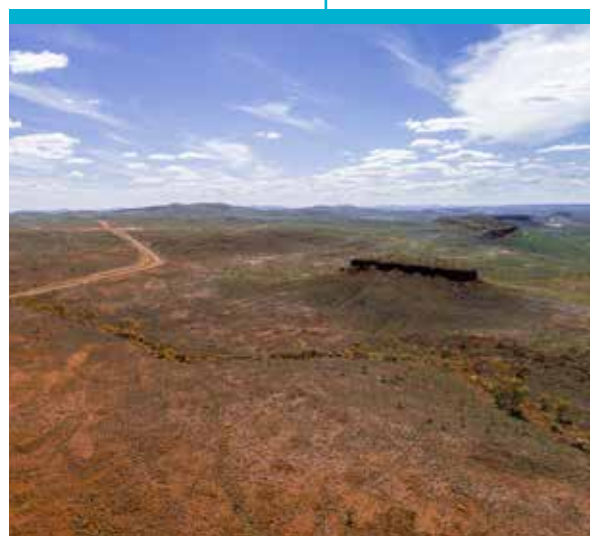
CASE STUDY

Modern technology to preserve cultural heritage

The Survey and Heritage teams have been exploring new ways to utilise existing processes and internal assets to enhance the recording and preservation of cultural heritage. In May this year, we tested the capability of 3D scanners within rock shelters.

With guidance from PKKP Aboriginal Corporation, two rock shelter scans were undertaken. The videos were shown to PKKP Traditional Owners who were pleased with the output and have requested further scans be undertaken.

The trial will continue to understand the capabilities of the scanners and how scans can be used to assist with education and the preservation of the cultural landscape.



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.

Fortescue operates under a Code of Conduct and Integrity (the Code) which reflects our Values and represents our commitment to uphold the highest ethical business practices. Our Values guide our business decisions and foster integrity and honesty.

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

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

- Health and Safety Policy
- Procurement Policy
- Diversity Policy
- Anti-Bribery and Corruption Policy
- Gifts, Entertainment and Sponsored Travel Policy
- Sanctions Compliance Policy
- Whistleblower Hotline Policy
- Privacy Policy
- Human Rights Policy
- Equal Opportunity, Discrimination and Bullying Policy

- Securities Trading Policy
- Continuous Disclosure and Market Communications Policy
- Appropriate Use of Technology Policy.

Our employees, contractors and suppliers must ensure they are familiar with the Code, which is accessible in electronic format 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.

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 who wish to make a reportable conduct disclosure.

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 system can be accessed via an online portal, phone, email or post and has multilingual capabilities.

Our Whistleblower Hotline Policy is aligned to the *Treasury Laws Amendment (Enhancing Whistleblower Protection) Act 2019*, and provides protection to disclosers of reportable conduct, including suspected:

- Bribery or corruption
- Conflict of interest
- Fraud or theft
- Serious misconduct or dishonesty
- Danger to the public or financial system
- Improper state of affairs in relation to Fortescue.

During FY21, 45 Whistleblower Hotline disclosures were reported.

All disclosures are received and reviewed by our Corporate Governance and Compliance Manager 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, discrimination, 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 formally reviewed annually.

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, as well as others, to prevent corruption in our society. This commitment is formalised in our Anti-Bribery and Corruption Policy which has been approved by the Board.

Our exposure to bribery and corruption risk has increased over the last year as our business has expanded globally with FFI. 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 new employees must complete anti-bribery and corruption online training prior to commencement. In addition to online training, all FFI team members must complete advanced face-to-face anti-bribery and corruption training within one month of joining our business.

Our Anti-Bribery and Corruption Policy and Standard describes 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:

- 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 potential fraud, 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.

During FY21, our Governance and Compliance team delivered advanced face-to-face anti-bribery and corruption training to 264 team members.

The ARMSC is responsible for overseeing matters related to anti-bribery and corruption.

Political donations

We do not make political donations to any non-Australian political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board.

Attendance at political functions is permitted where there is a legitimate business reason. Attendance at these functions must be approved by the Company Secretary and Director of Community, Environment and Government. A record, which includes the cost of attendance, is maintained.

Cyber security

Cyber security has been identified as a material operational risk to our business and we continuously work to ensure our operations are protected from potential threats. We adopt an enterprise approach to reducing risk and align our priorities to building the cyber resilience needed to operate and grow with confidence. Our commitment is supported by a comprehensive Cyber Security Policy, 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 is fostered.
- Cyber security risk is effectively managed to an acceptable level.
- Cyber resilience and our ability to detect, respond to 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.

More information on cyber security is available on our website at www.fmg.com.au

Our approach to tax



A\$ 30.2 bn

**Total global
economic
contribution**

A\$ 1.5 bn

**Gross salaries, superannuation,
incentive payments and training**

A\$ 11.1 bn

**Shareholders and investors, including
dividends and interest payments**

A\$ 9.6 bn

**All operational payments, including
payments made to suppliers**

A\$ 8.0 bn

**Taxes, royalties, other government
payments and Native Title payments**

Payment of tax is an important element of our commitment to ensure communities benefit from our operations. The tax we pay contributes 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. We seek strong, collaborative working relationships with all relevant revenue authorities.

In line with our Board-approved Tax Policy, we work to achieve these commitments by:

- Ensuring implementation of and adherence to our Tax 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 appropriate mechanisms to 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 Tax Policy is available on our website at www.fmgil.com.au

TAX GOVERNANCE FRAMEWORK



BOARD OF DIRECTORS

Audit, Risk Management and Sustainability Committee

Chief Executive Officer

Chief Financial Officer

Fortescue business operations Fortescue Tax team Revenue authorities

Fortescue's Tax team is proactively involved in business operations and seeks external tax advice when necessary

Corporate objectives

- 1 Manage risk
- 2 Timely and accurate disclosures
- 3 Preventative and detective controls



Governance

Our Board is ultimately responsible for ensuring a robust system of internal controls is in place for tax governance purposes. Our Tax Policy and comprehensive Tax 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 Tax 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

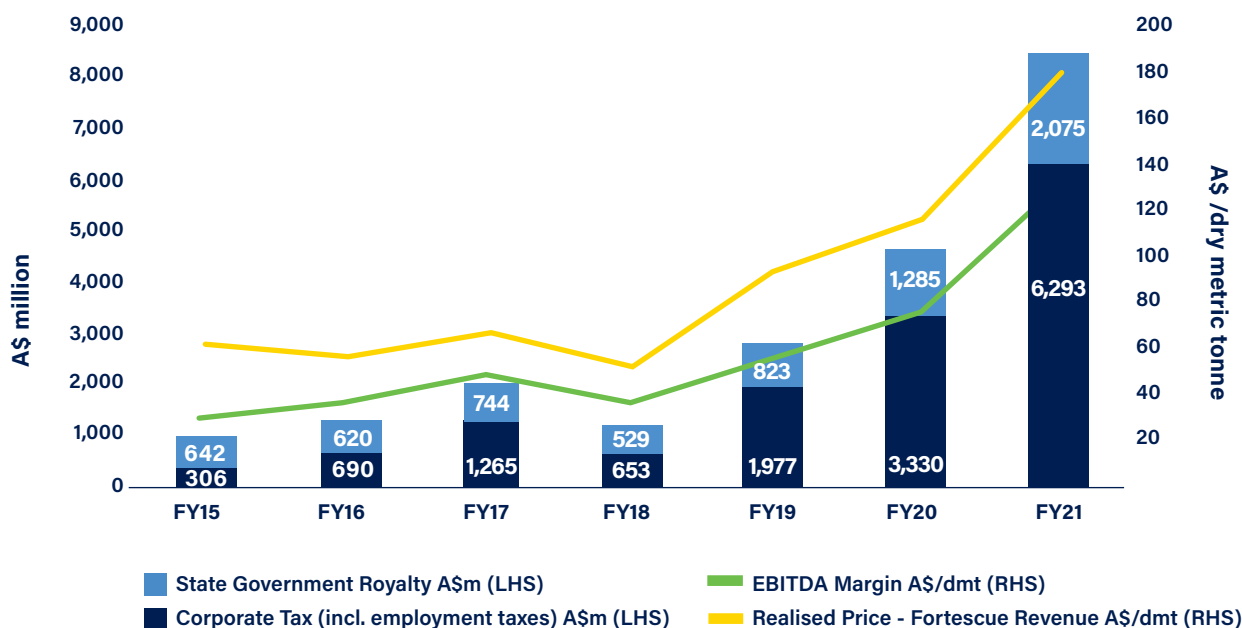
We are committed to transparency across all aspects of our business, including in relation to our tax obligations. By providing our investors and other external stakeholders with relevant tax information, we offer a deeper understanding of our tax profile to the wider community.

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 (BoT) 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.

Correlation between taxes paid and iron ore price



Note: While Fortescue's functional (and reporting) currency is US\$, the above chart provides the A\$ tax obligations, realised iron ore price and EBITDA margin converted using an exchange rate prescribed by the Australian Taxation Office.

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 (PAYG) withholding tax from salary and wages paid to employees.

Given the current structure of our international operations, some companies are subject to the Australian Controlled Foreign Company (CFC) rules. Under these rules, 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 FY21 tax obligations and tax payment history is provided above.

FY20 INCOME TAX PAYABLE: A\$2.92 billion

Taxable income x 30% corporate tax rate – eligible tax offsets

Australian Taxation Office report

Each December, the Australian Taxation Office (ATO) issues a Report of Entity Tax Information, which provides high level details of Fortescue's income tax return. The following details are expected to be published by the ATO in December 2021 with respect to Fortescue's income tax return lodged for the financial year ended 30 June 2020. All figures are disclosed in Australian dollars.

Fortescue Metals Group Ltd
ABN 57 002 594 872

TOTAL INCOME
A\$17,732,781,451

TAXABLE INCOME
A\$9,832,131,025

INCOME TAX PAYABLE
A\$2,919,008,053

The following additional information provides important context for the information anticipated to be published by the ATO:

- The information provided by the ATO only reflects Fortescue's Australian tax consolidated group, which is comprised of Fortescue and its wholly owned subsidiaries in Australia.
- Total income represents gross revenue from all operating activities and not Fortescue's profit. Fortescue's Australian accounting profit for the year ended 30 June 2020 was A\$9.631 billion.
- The income tax payable of A\$2.92 billion is determined by multiplying Fortescue's taxable income of A\$9.83 billion by the 30 per cent corporate tax rate and then deducting eligible tax offsets (such as the research and development incentive and foreign income tax offset credits) totalling A\$31 million for the year ended 30 June 2020.

International related party transactions

Fortescue has a relatively small proportion of international related party dealings.

In accordance with our tax strategy, all international related party dealings are conducted on arm's length principles, methodologies as prescribed by the Australian transfer pricing laws, and the Organisation for Economic Cooperation and Development guidelines.

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 active subsidiary companies that are incorporated in jurisdictions outside of Australia. These are summarised in the table on pages 69-71.

Active Subsidiary Companies

Jurisdiction	Nature of activities	
Singapore*	Shipping services	<ul style="list-style-type: none"> FMG International Pty Ltd (FMGI) is a Singaporean resident entity, which is 100 per cent directly owned by Fortescue. Since 2012, FMGI manages the majority of our 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 FMG Hong Kong Shipping Ltd (FMGHKS). FMGI lodges an income tax return in Singapore and consequently pays income tax at the prevailing corporate income tax rate of 17 per cent on its total taxable income for the financial year. In Australia, the majority of the taxable income in Singapore is attributed back to Fortescue under the CFC provisions and taxed at 30 per cent.
	Other services	<ul style="list-style-type: none"> Fortescue Insurance Singapore Pte Ltd (Fortescue Insurance) provides insurance services to Fortescue and its subsidiaries. This company is taxed at the standard rate of tax in Singapore of 17 per cent. However, the total taxable income of Fortescue Insurance is attributed back to Fortescue in Australia and taxed at 30 per cent. Fortescue has a number of holding companies incorporated and domiciled in Singapore. The primary purpose of these entities is as a holding company for investments. No income was generated in Singapore in FY21 by these entities.
China	Iron ore sales	<ul style="list-style-type: none"> FMG Trading Shanghai Co., Ltd (FMG Trading) is a wholly owned subsidiary of Fortescue, domiciled in China. The key purpose of FMG Trading is to supply iron ore products directly to Chinese customers in smaller volumes, in Renminbi from regional ports. Income generated by FMG Trading is taxable in China at a corporate income tax rate of 25 per cent and an additional 5 per cent income tax is payable in Australia to top up the total tax paid to 30 per cent.
Hong Kong	Magnetite investment	<ul style="list-style-type: none"> In 2013, Fortescue and Formosa Plastics Group (Formosa) announced a joint venture to develop and operate the Iron Bridge project. FMG Iron Bridge Ltd (FMG IB) is a Hong Kong resident company which is substantially controlled and owned by Fortescue (99.6 per cent). FMG IB has not generated any income for the year ended 30 June 2021.
	Shipping services	<ul style="list-style-type: none"> Fortescue's wholly owned subsidiary FMGHKS provides iron ore transportation services to wholly owned subsidiary FMG Pilbara Pty Ltd under a Transportation Services Agreement utilising ore carriers. FMGHKS is taxed in Australia under the Australian Shipping Regime.
United States of America		<ul style="list-style-type: none"> FMG America Finance Inc has been Fortescue's registered issuer of certain US dollar debt facilities. No income was generated in the USA in FY21.

Active Subsidiary Companies

Jurisdiction	Nature of activities	
South America*		<ul style="list-style-type: none"> We operate offices and have hired team members to support exploration activities and future company operations in Ecuador, Colombia and Argentina. We engage a number of local vendors and employees, consistent with our commitment to contribute to the local economy. No income was generated in South America in FY21.
	Exploration - Ecuador	<ul style="list-style-type: none"> Ecuador Fortescue S.A. is Fortescue's wholly owned subsidiary in Ecuador. We maintain possession of 32 mining concessions, all of which are in exploration phase. No income was generated in Ecuador in FY21.
	Exploration - Colombia	<ul style="list-style-type: none"> Colombia Fortescue S.A.S. is Fortescue's wholly owned subsidiary in Colombia. The entity's corporate purpose is to assess, acquire and develop mining tenements in Colombia. No income was generated in Colombia in FY21.
	Exploration - Argentina	<ul style="list-style-type: none"> We have three wholly-owned subsidiaries in Argentina, being Argentina Fortescue S.A.U. , Argentina Minera SA and Viridi S.A. No income was generated in Argentina in FY21.
	Exploration - Brazil	<ul style="list-style-type: none"> Brasil Fortescue Mineração Limitada is Fortescue's wholly owned subsidiary in Brazil, incorporated during FY21 for the purposes of metals exploration in Brazil.
	Exploration - Chile	<ul style="list-style-type: none"> Chile Fortescue SpA is Fortescue's wholly owned subsidiary in Chile, incorporated during FY21 for the purposes of metals exploration in Chile. No income was generated in Chile in FY21.
Portugal*	Exploration - Peru	<ul style="list-style-type: none"> Peru Fortescue SAC is Fortescue's wholly owned subsidiary in Peru, incorporated during FY21 for the purposes of metals exploration in Peru. No income was generated in Peru in FY21.
	Exploration	<ul style="list-style-type: none"> Portugal Fortescue Unipessoal Lda, is a wholly owned subsidiary of Fortescue, domiciled in Portugal. The entity's corporate purpose is to assess, acquire and develop mining tenements in Portugal. No income was generated in Portugal in FY21.
Kazakhstan*	Exploration	<ul style="list-style-type: none"> Kazakhstan Fortescue LLP and Kazakhstan Fortescue Operations LLP are Fortescue's wholly owned subsidiaries in Kazakhstan. The entities' corporate purpose is to assess, acquire and develop mining tenements in Kazakhstan. No income was generated in Kazakhstan in FY21.
Greenland* (FFI)	Renewable energy production	<ul style="list-style-type: none"> Greenland Fortescue A/S is a wholly owned subsidiary of Fortescue, domiciled in Greenland, incorporated during FY21 for the purpose of pursuing opportunities for FFI/renewable energy production. No income was generated in Greenland in FY21.
New Zealand* (FFI)	Renewable energy production	<ul style="list-style-type: none"> New Zealand Fortescue Future Industries Pty Ltd is a wholly owned subsidiary of Fortescue, domiciled in New Zealand. No income was generated in New Zealand in FY21.

Active Subsidiary Companies

Jurisdiction	Nature of activities	
Papua New Guinea (PNG)* (FFI)	Renewable energy production	<ul style="list-style-type: none"> Papua New Guinea Fortescue Future Industries Limited is Fortescue's wholly owned subsidiary in PNG, incorporated during FY21 for the purpose of pursuing opportunities for FFI/renewable energy production. No income was generated in PNG in FY21.
	Exploration	<ul style="list-style-type: none"> Bougainville Fortescue Ltd is Fortescue's wholly owned subsidiary in PNG, incorporated during FY20 for the purpose of metals exploration PNG. No income was generated in PNG in FY21.
Indonesia* (FFI)	Renewable energy production	<ul style="list-style-type: none"> We have two wholly owned subsidiaries in Indonesia, being PT Indonesia Fortescue Infrastructure and PT Indonesia Papua Fortescue Future Industries. Both entities were incorporated during FY21 for the purpose of pursuing opportunities for FFI/renewable energy production. No income was generated in Indonesia in FY21.
Democratic Republic of Congo (DRC)* (FFI)	Renewable energy production	<ul style="list-style-type: none"> Democratic Republic of Congo Fortescue Future Industries Ltd is Fortescue's wholly owned subsidiary in the DRC, incorporated during FY21 for the purpose of pursuing opportunities for FFI/renewable energy production. No income was generated in the DRC in FY21.
South Africa* (FFI)	Holding company	<ul style="list-style-type: none"> South Africa Fortescue Future Industries (Pty) Limited is Fortescue's wholly owned subsidiary in South Africa, incorporated during FY21 for the purpose of holding Fortescue's investment in the DRC. No income was generated in South Africa in FY21.

Note: This list includes only those subsidiaries that have employees and purchase goods and services.

*Companies subject to the Australian CFC rules. Under these rules, profits generated by these subsidiaries from trading with us are taxable at the Australian corporate tax rate.

06

Safeguarding the environment



Approach to climate change



Fortescue is committed to taking a leadership position on climate change. Climate change is the most pressing challenge of our generation as well as a once in a lifetime opportunity for economic growth and value creation that generates a better, cleaner, more sustainable world

We accept the scientific consensus as assessed by the Intergovernmental Panel on Climate Change (IPCC) and are taking steps to realise the Paris Agreement goal of limiting global temperature rise to well below 2°C above pre-industrial levels.

During FY21, we accelerated our transition from being a major fossil fuel importer to a major clean and renewable energy company by:

- Setting ourselves the target of carbon neutrality by 2030, which requires our net Scope 1 and Scope 2 emissions across existing and future operations to reduce to zero by 2030.

- Establishing our decarbonisation pathway, through applying renewable energy and battery storage to meet our stationary energy requirements, and green hydrogen, green ammonia and battery electric solutions to decarbonise our mobile fleet.
- Creating FFI to lead the global energy transition by developing a portfolio of renewable energy and green hydrogen projects that will accelerate the decarbonisation of hard-to-abate sectors such as metals processing, long-haul transport and industrial heating.
- Expanding our research, development, engagement and collaboration to reduce emissions across our downstream value chain, focusing on shipping and iron and steel production.

Our FY21 Climate Change Report is available at www.fmgl.com.au

CASE STUDY

Green Hydrogen Plant Bell Bay, Tasmania

FFI is studying the development of a multi-phase green hydrogen hub in Bell Bay, Tasmania, and has signed an Option Agreement with Tasmanian Ports Corporation to exclusively negotiate all land and operating access requirements for the proposed project.

Phase one of the world-leading project envisages:

- Construction of a green hydrogen plant at the Bell Bay Industrial Precinct.
- Green ammonia production of 250,000 tonnes per year for domestic use and international export.
- Powered entirely by Tasmanian renewable energy.

FFI is working to maximise employment, training and business outcomes for Tasmania from the project. We believe this project will be a vital step in positioning Australia at the forefront of a bulk export market for green hydrogen.

This project is targeted for an investment decision by Fortescue's Board in 2021.



We've set ourselves the target to be carbon neutral by 2030

Our decarbonisation pathway

Our pathway to decarbonisation is focused on addressing our largest sources of emissions: stationary power and our mining fleet. FFI will be key to Fortescue's decarbonisation pathway through technology development and the supply of renewable energy, green hydrogen and green ammonia for our operations.

Risks and opportunities

The transition to a net zero world presents both opportunities and risks for us.

We undertook our annual climate change focused risk assessment in May 2021, which identified the following material climate-related risks and opportunities:

Transitional risks

- Policy and regulatory changes
- Technical viability of decarbonisation strategy
- Reduced demand for products
- Reputation damage.

Physical risks – acute

- Increased severity of extreme weather events
- Increased frequency and intensity of bushfires.

Physical risks – chronic

- Rising sea levels and storm surge inundation
- Changes in precipitation patterns.

FY21 performance

Our FY21 gross emissions from our operations were 2.22 million tonnes of CO₂-e, including:

- 2.06 million tonnes of CO₂-e Scope 1 emissions
- 0.16 million tonnes of CO₂-e Scope 2 emissions.

In line with our commitment to reduce emissions annually from our FY20 baseline, we have procured and surrendered high quality offsets to reduce our net emissions to 2.01 million tonnes, which is three per cent below our FY20 operational emissions baseline.

Our Climate Change Report is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is available on our website at www.fmg.com.au

CASE STUDY

FFI delivers on ambitious targets



FFI achieved its 30 June 2021 decarbonisation targets.

FFI CEO Julie Shuttleworth AM said, "We set out to test the hypothesis that there was sufficient 100 per cent renewable green energy, hydrogen, ammonia and industrial manufacturing potential for products such as green fertiliser, green iron and steel, to fully satisfy the world's needs. To do so, Fortescue Chairman, Dr Andrew Forrest AO, led two significant overseas expeditions alongside 50 area experts, spending more time on the road than at home in the last 12 months. As a result, the Company has confirmed that hypothesis."

FFI's specialist teams have made groundbreaking progress including:

- Successful combustion of ammonia in a locomotive fuel, with a pathway to achieve completely renewable green fuel.
- Completion of design and construction of a combustion testing device for large marine (ship) engines, with pilot test work underway and a pathway to achieve completely renewable green shipping fuel.
- Finalised design of a next generation ore carrier (ship) that will consume renewable green ammonia, with the Classification Society giving in principle design approval.

- Testing of battery cells to be used on Fortescue haul trucks.
- Design and construction of a hydrogen powered haul truck for technology demonstration complete, with systems testing underway.
- Design and construction of a hydrogen powered drill rig for technology demonstration complete, with systems testing underway.
- Successful production of high purity (>97 per cent) green iron from Fortescue ores.
- Successful initial trialling to use waste from the green iron process noted above, with other easily sourced materials.

Fortescue CEO Elizabeth Gaines said, "At Fortescue, we are leading the heavy industry battle against global warming, transitioning from being a major fossil fuel importer to a significant green and renewable energy and product exporter. We are leading by example to decrease emissions across our operations, using our large industrial platform of operating mine sites in the Pilbara to trial and demonstrate technologies in completely renewable green hydrogen, green ammonia, and green electricity."

Protecting biodiversity

FY21 performance

Zero significant environmental incidents

A\$2.6m invested in research and conservation programs

Zero fines or sanctions relating to environmental impact grievances

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. We take a precautionary approach to environmental management and comply with all relevant environmental laws and obligations as an absolute minimum standard.

We respect legally protected areas and species of conservation significance, including the IUCN Red List of Threatened Species. Our activities are aligned with the 2003 ICMM position statement on Mining and Protected Areas and we operate in accordance with the local, state, national and international legal instruments relating to our areas of operation.

Biodiversity is managed across our active sites through the implementation of our Environment Policy, Biodiversity Standard and Environmental Management System (EMS). This management framework reflects our



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.
- Annually, achieve zero significant environmental incidents.

commitment to continual improvement and provides a robust and comprehensive method for identifying and managing environmental impacts.

ARMSC, on behalf of the Board, is responsible for overseeing all matters relating to environmental management. It is the collective responsibility of all our employees to safeguard the environment for future generations through responsible environmental management.

Specialists in our Environment team are responsible for protecting biodiversity and ensuring that we take a proactive approach to all matters in the regions where we operate. Our biodiversity specialists are supported by external consultants to survey exploration, development and operational areas. We use data collected during the surveys to inform project design and operational activities and contribute to detailed environmental impact assessments. The outcomes of these biological

surveys assist with developing sound biodiversity protection measures.

We work closely with our stakeholders, including state and federal government agencies, Traditional Custodians and the general community, to ensure appropriate mitigation practices are in place. We engage with our stakeholders throughout the life of our projects with formal engagement undertaken as part of the planning and approvals processes for each of our five mine sites as well as for our rail and port operations.

We also implement the mitigation hierarchy of avoid, minimise, rehabilitate and offset across all of our activities.

CASE STUDY



The call of the Night Parrot

The Night Parrot (*Pezoporus occidentalis*) is a small, nocturnal bird that is endemic to Australia. The species is listed as endangered under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*, and critically endangered under the *WA Biodiversity Conservation Act 2016*.

The elusive species was first recorded on the north side of the Fortescue Marsh in 2005 during baseline surveys for the Cloudbreak mine site. However, there was no photographic or audio evidence collected at the time.

We have recorded one definitive and several possible calls of the Night Parrot on the Fortescue Marsh, south of our Chichester Hub.

The calls were detected as part of a comprehensive three-year monitoring program at the Fortescue Marsh. The records were made on acoustic recording devices and subsequently confirmed by leading Night Parrot experts, Nick Leseberg, Steve Murphy and Nigel Jackett of Adaptive NRM.

These research findings demonstrate the endangered Night Parrot is persisting in suitable habitat areas adjacent to Fortescue's active mining operations. We will continue to monitor for the presence of the Night Parrot near the Fortescue Marsh to demonstrate effective environmental practices and ongoing protection of biodiversity during mining operations.

Research and conservation

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

In FY21, our contribution to research and conservation initiatives included:

- A\$640,300 towards monitoring programs to improve the knowledge and management of rare and threatened fauna species including the Pilbara Leaf-nosed Bat, Ghost Bat, Pilbara Olive Python, Night Parrot, Greater Bilby and Northern Quoll.
- A\$284,200 towards research for threatened fauna, including development and validation of new non-invasive survey and monitoring techniques for the Pilbara Leaf-nosed Bat.
- A\$685,700 towards monitoring programs to enhance the knowledge and management of threatened or otherwise conservation significant flora species and ecological communities.
- A\$55,300 for research into propagation methods for *Quoya zonalis* to support the restoration of populations.
- A\$55,300 as part of the Frontier SI Collaborative Research Project that identifies and monitors groundwater-dependent vegetation (GDV) in the Pilbara region of Western Australia via Earth observation data.
- A\$702,700 towards Fortescue Marsh biodiversity protection programs as part of a long-term strategic collaboration with the WA Department of Biodiversity, Conservation and Attractions (DBCA). This includes the implementation of feral animal control programs, contributions towards our Marsh Management

Strategy and the funding of our dedicated Marsh Conservation Officer. Since 2008, we have contributed over A\$6.9 million to this program.

- A\$50,000 contribution to the WA Parks Foundation as part of our 15 year partnership to enhance and protect biodiversity and inspire local communities to connect with nature.
- A\$200,000 of continued investment into DBCA-led research programs to investigate the distribution, abundance and ecology of the Greater Bilby and Northern Quoll in the Pilbara region.
- Continued toxic phase trials of the Felixer™, a grooming trap for feral cat control, in conjunction with DBCA and third parties.

Conservation of significant fauna

We implement a Fauna Management Plan (FMP) across our active sites to identify potential impacts to conservation significant fauna, and to ensure effective management and monitoring measures are in place. These measures aim to maximise the protection and conservation of these fauna within areas adjacent to our sites.

Fauna managed in accordance with the FMP include the Pilbara Olive Python, Night Parrot, Northern Quoll, Greater Bilby, Ghost Bat, Pilbara Leaf-nosed Bat and various migratory bird species.

Monitoring of these species to date has determined that conservation significant fauna continue to reside in habitats surrounding our operations and have not been significantly impacted by our mining or rail activities.

CASE STUDY

Monitoring of the Pilbara Leaf-nosed Bat

In April 2021, our Environment team commenced a 12 month monitoring program of the Pilbara Leaf-nosed Bat at North Star.

The bat is aptly named for its diamond-shaped nose leaf surrounding the nostrils. It has been listed as vulnerable under the *WA Biodiversity Conservation Act 2016* and the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*. The bat has been recorded at a number of Fortescue sites, including Iron Bridge.

Monitoring is vital to better understand the population dynamics and movement of the bat through the Iron Bridge area and its use of critical habitat for daytime roosting. The bat is being monitored as part of the Pilbara Leaf-nosed Bat Habitat and Research Plan, and includes:

- Genetic (DNA) and hormonal analysis of scat (guano) samples collected from inside the caves.
- Ultrasonic recording devices ('songmeters') and infrared video at cave entrances/pools to track activity levels.



The monitoring includes the sampling of scat for DNA analysis, which is the first time these methods have been used for this species. The dropping samples will assist in determining the number of individual bat's occupying the roost sites, movement of individuals between roosts, and whether roosts are being used by pregnant females during the breeding cycle. If successful, this may forge a new standard of non-invasive detection/monitoring for this threatened species.

CASE STUDY



A railway design to protect heritage and environmental features in the landscape

The Eliwana railway traverses a varied landscape with surface water dependent systems such as creeks, rivers and pools present along the 143km line.

During the project design and development phases, Fortescue engaged with key stakeholders to ensure the final railway design met the Environmental Protection Authority's objective for inland water quality 'to maintain the quality of groundwater and surface water so that environmental values are protected'.

The design ensures surface water flows are maintained, minimising structural damage to the rail embankment and preventing overtopping of the embankment from flooding.

The avoidance of significant environmental and/or heritage features in the landscape was prioritised during railway design. In addition, surface water management infrastructure such as culverts, diversion drains and levees were included in the final railway design to ensure the environment and heritage outcomes could be met over the life of the project.

To demonstrate the effectiveness of the railway, ongoing monitoring against baseline data is undertaken.



Significant flora, vegetation and ecological communities

We implement a Vegetation Health Monitoring and Management Plan (VHMMP) across our active sites to identify potential impacts to conservation significant flora and vegetation and ensure effective management and monitoring measures are in place.

Significant flora managed under the VHMMP includes declared rare flora, threatened flora and priority flora species. Vegetation of significance includes threatened ecological communities, riparian and groundwater dependent vegetation, mulga and samphire communities.

The VHMMP allows us to minimise the direct and indirect impacts of our operations on significant flora and vegetation and to protect the values of these communities.

Protection of the Fortescue Marsh

The Chichester Hub, incorporating our Cloudbreak and Christmas Creek mine sites, lies north of the Fortescue Marsh, a wetland of national significance listed on the Directory of Important Wetlands of Australia.

The marsh is also culturally significant to the Banyjima, Nyiyaparli and Palyku Traditional Custodians. We implement mitigation and management measures that are consistent with the WA State Government Fortescue Marsh Management Strategy (2018-24) to ensure the protection of the marsh.

Noise and vibration

We implement a Noise Management Plan to ensure that noise levels associated with rail and port activities comply with statutory requirements and acceptable standards and do not impact noise sensitive receptors. The plan includes requirements to measure impacts against baseline data.

Noise and vibration impacts are also considered as part of our environmental impact assessments undertaken for all new project and project expansion plans. Ongoing stakeholder engagement is undertaken to ensure impacts are minimised. If impacts are found to be unacceptable, mitigation and management actions are modified accordingly.

Incidents and monitoring

All environmental incidents are fully investigated. During FY21, there were no significant environmental incidents and no environment-related fines, sanctions or environmental impact grievances filed against Fortescue.

We undertake stringent internal compliance auditing on an ongoing basis across all our sites to measure compliance against environmental obligations and relevant standards. Internal compliance is complemented by external independent audits.

During FY21, the Western Australian Department of Mines, Industry Regulation and Safety and the Department of Water and Environmental Regulation completed numerous field and desktop audits across our operations, including exploration and development sites.

The audits assessed compliance against Ministerial Statements issued under the *Environmental Protection Act 1986* (WA), Mining Proposals and Program of Works under the *Mining Act 1978* (WA). All audits concluded that we had demonstrated a high level of compliance and that our operations align with the expectations of regulators.

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

- Lead a better understanding of regional hydrogeological systems.
- Use water responsibly by improving water use efficiency and minimising water loss through surface water discharge and evaporation.

TARGET

- Initiate, host and coordinate a series of Mine Water Management Forums about the Pilbara region of WA to encourage the sharing of learnings for practitioners and regulators.
- Ensure at least 75% of dewatered water at the Cloudbreak and Christmas Creek mine sites is used for beneficial purposes or reinjected via the Managed Aquifer Recharge program.

FY21 performance

152_{GL} Water withdrawn

100_{GL} Total water returns to the environment

98% Water reinjected or used for beneficial purposes at Cloudbreak and Christmas Creek mine sites

Sustainable water management

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 water management practices across all sites.

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

Our operations use water for ore processing, dust control and for village requirements including the supply of drinking water. This water is primarily sourced from local groundwater resources, with minor quantities of water purchased from municipal suppliers. Our Port Operations also use seawater, which is treated using desalination. Surface water is not used to supply water to any of our operations.

In addition to direct operational requirements, we also manage key environmental water requirements including maintenance of groundwater levels at the boundary of the Fortescue Marsh, the boundary of Karijini National Park and within some permanent pools in the Kangeenarina and Weelumurra Creek systems at our Solomon mine site. We also ensure that our mining activities do not impact the water quality or hydrological regime of Site 12 Pool, near our Iron Bridge minesite.

We conduct mine dewatering at several of our operations to access ore which sits below the natural groundwater level. This water is reused wherever possible and forms a key water source at our Cloudbreak, Christmas Creek and Solomon mine sites. The reuse of water is subject to a water quality hierarchy, ensuring that reused water is of a suitable quality for each purpose.

At the Christmas Creek and Cloudbreak mine sites, mine dewatering volumes exceed the operational and environmental water requirements. Excess water is returned to the environment by reinjection. With the exception of our regulated surface water supplementation requirements, we do not discharge water to surface water bodies.

In addition to the Managed Aquifer Recharge (MAR), 2.3GL of water was used for regulated surface water and groundwater supplementation and no excess water was discharged to surface water systems.

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

We minimise our impact on water resources by applying adaptive responses to water management. We assess the overall water risk of our operations against several risk measures including the BETA Aqueduct Water Risk Atlas, which provides both overall water risk and water stress ratings.

Our Cloudbreak, Christmas Creek, Solomon and Eliwana mine sites are located in low or low-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, water for our Iron Bridge mine will be sourced from a lower risk area and transported via a pipeline to the site and water for our Port Hedland operations is sourced primarily from desalinated seawater.

Our existing mine, port and rail operations are not located within areas defined as water stressed by the BETA Aqueduct Water Risk Atlas. The water source area for the Iron Bridge development, currently under construction, falls within an area defined as highly water stressed.

We do not have operations or developments located in areas defined as 'extremely high water stressed' by the BETA Aqueduct Water Risk Atlas.

Our water-related risks are assessed and addressed on an ongoing basis. The assessment considers our operational risks at a site level and the actions required to address them.

We operate in some areas that are adjacent to sensitive ecological habitats such as national parks, significant wetlands, permanent pools and groundwater dependent vegetation. To mitigate the potential impacts of our operations in these areas, we conduct supplementation and ongoing monitoring to maintain water levels.

We are also subject to a number of environmental protection obligations and implement voluntary monitoring programs to minimise impacts to these ecosystems.

Our water-related risks

Asset (Location)	Water-related risks	Actions to address
Cloudbreak and Christmas Creek	Potential impacts to the Fortescue Marsh	<ul style="list-style-type: none"> Operate 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
Solomon, Eliwana and Iron Bridge	Potential impacts to pools	<ul style="list-style-type: none"> Monitor groundwater levels, surface water levels and quality, as defined by environmental conditions Implement supplementation activities, where required
All	Potential impacts to stygofauna	<ul style="list-style-type: none"> Identify the extent of habitat and characterise stygofauna species Manage groundwater drawdown
All	Potential impacts to groundwater dependent vegetation	<ul style="list-style-type: none"> Monitor groundwater levels Manage groundwater drawdown Monitor groundwater dependent vegetation
All	Potential impacts to other water users including pastoralists	<ul style="list-style-type: none"> Engage with stakeholders regarding potential impacts and management measures Adhere to catchment scale water allocations Install additional water infrastructure where required
All	Increased flood risk due to climate change	<ul style="list-style-type: none"> Assess the risk to critical infrastructure using various climate change scenarios Update the flood protection design criteria, where required
Operational mine sites	Balancing mine site water demand with available water supply within the constraints of regulatory approvals	<ul style="list-style-type: none"> 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
Operations and projects	Flood risk during wet season	<ul style="list-style-type: none"> Update hydrological models with any new data Conduct an annual risk assessment and implement a wet season preparedness plan Monitor impacts during flood events
Operational mine sites	Risk to mining production due to insufficient dewatering	<ul style="list-style-type: none"> Conduct hydrogeological investigations prior to pit development Design appropriate water management infrastructure through the use of integrated hydrogeological numerical models and water system models Monitor dewatering response and feedback into design

Water stewardship

We recognise the importance of water resources in the Pilbara and are committed to sustainably managing water resources to avoid impacts to the environment and other water users. We strategically 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 minimise losses through evaporation by avoiding surface water discharge and the use of evaporation ponds.

Water management activities at each of our sites, including allocation, are undertaken in accordance with a combination of regulatory and voluntary requirements.

Each site is subject to state government regulation under Part IV and Part V of the *Environmental Protection Act 1986*, in addition to licensing under the *Rights in Water and Irrigation Act 1914* (RIWI Act). These legislative obligations outline the minimum standards in water management required to protect the environment and other water users. Impacts are tracked through monitoring.

Water allocation is regulated by the WA State Government agency, the Department of Water and Environmental Regulation (DWER) under the RIWI Act.

The objectives of the RIWI Act include:

- Providing for the sustainable use and development of water resources.
- Protection of the ecosystems and the environment in which water resources are situated.

A section 5C licence to abstract (withdraw) water under the RIWI Act must be negotiated with relevant stakeholders including other water users in the area. A 5C licence requires the preparation of a groundwater operating strategy which must include a monitoring regime and ongoing communication with relevant stakeholders.

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

The Papa Waringka MAR scheme

Dewatering associated with accessing mining areas accounts for the majority of water abstracted at our operations.

Our Managed Aquifer Recharge (MAR) programs minimise environmental impacts and maintain the water balance, by ensuring as much water as possible is returned to the natural environment through reinjection to the local groundwater systems.

The Papa Waringka MAR scheme has been operating at the Cloudbreak and Christmas Creek mine sites since 2009.

Named after the traditional Nyiyaparli word for water of the ground, this scheme has progressively expanded to its current scale of 288 abstraction bores, 139 injection bores and 12 transfer ponds.

The scheme currently returns over 95GL per annum of abstracted groundwater and involves the reinjection, storage and redraw of water to form a hydraulic barrier between dewatering operations and the internationally significant Fortescue Marsh ecosystem. The scheme is one of the largest in Australia and the first to be operated in a variable density groundwater environment.

Implementation of the scheme allows:

- Conservation of the brackish water resource for redraw over the life of the mine.
- Minimising the drawdown footprint from the dewatering operation, particularly on the Fortescue Marsh.
- Limiting environmental and cultural impacts associated with the surface discharge of excess water to the Fortescue Marsh, where prolonged surface discharge to a naturally dry area can lead to dependency of vegetation and associated fauna.
- Sharing learnings with regulators and peers.

The scheme is a temporary water management system which will be dismantled and rehabilitated on completion of mining, allowing for the return of the natural groundwater regime.

During FY21, 127GL of groundwater was abstracted under the scheme, with 32GL reused for ore processing, dust suppression and camp supply and 95GL reinjected into local aquifers.

FY22 water targets

From FY22, Fortescue will report against the following targets:

- Overarching water targets:
 - Initiate, host and coordinate a series of Mine Water Management Forums about the Pilbara region of Western Australia to encourage the sharing of learnings for practitioners and regulators.
 - Set public, site-specific water management targets for each of our operating mines by FY23.
- Site-specific water targets:
 - Annually, ensure at least 80 per cent of water abstracted for mine pit dewatering at the Cloudbreak and Christmas Creek mine sites is used for operational requirements or beneficial environmental purposes.



Closure and rehabilitation

Mine closure

Fortescue's mine closure planning focuses on returning the land to a state that provides future use and value.

We work with our stakeholders, including local communities, Traditional Custodians and government agencies, when considering post-closure land uses and developing achievable outcomes. Although none of our sites are expected to close within 10 years, we undertake various studies and field trials to demonstrate the feasibility of the closure strategies detailed in our mine closure plans. Financial provisions for closure are developed for all our sites and revised every six months to capture our mine and rehabilitation progress. These provisions are further outlined in our FY21 Annual Report, which is available on our website at www.fmgil.com.au

Mine closure is a key consideration during the project feasibility phase when closure outcomes are agreed with stakeholders and site strategies 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.

During FY21, mine closure works focused on the following:

- Independent, external review of Fortescue's mine closure governance system.
- Geochemical kinetic test work at the Eliwana and Solomon mines and Iron Bridge project.
- New and updated mine closure plans for the Solomon Hub, Iron Bridge project, Nullagine, Pilbara Transmission project, Pilbara Generation project and Christmas Creek mine.

CASE STUDY



Stepped landform slope trial

Fortescue develops rehabilitation designs for its waste dumps during the initial planning phase to ensure that all waste dumps will be safe, stable and non-polluting on closure. The rehabilitation designs are regularly reviewed throughout the mine life so that any new information, including learning from the wider mining industry outcomes, and stakeholder feedback are considered in the designs.

The Solomon Hub produces waste rock dumps that extend more than 40 metres above the ground. These large landforms sit within a landscape of rugged hills and ridgelines of blocky, banded-iron formation geology. During the waste dump design reviews undertaken in 2017, Fortescue recognised there was an opportunity to modify the rehabilitation designs to better reflect the nature of the landscape in the surrounding area and to remove some of the design flaws that had been identified in the traditional designs.

A field trial of the resulting 'stepped landform' rehabilitation design concept was initiated at the Firetail mine at Solomon in 2019. This new design concept imitates the blocky ridgeline topography. The design has the added benefits of controlling water movement more effectively than traditional designs and removing the potential for dozers to rollover during slope shaping activities.

One year after the trial commenced, the results are showing positive signs. Vegetation is establishing without the application of topsoil and erosion rates remain low, even after the area was subjected to a 100mm (in 24 hours) rainfall event.

Sustainable rehabilitation

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 which 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. Several rehabilitation monitoring programs have been postponed until FY22 due to restrictions on site travel related to the COVID-19 pandemic.

During FY21, rehabilitation works included:

- Direct disposal (backfill) of more than 73 million cubic metres of waste rock into exhausted mine pits.
- Continued geochemical and physical characterisation of the mineral waste rock.
- Ongoing review, involving computer modelling, of proposed post-mining landforms and water systems.

Partnerships and collaboration

During FY21, we continued to collaborate with industry peers to better understand and improve rehabilitation practices.

Our involvement in the Pilbara Rehabilitation Group, which includes participants from Rio Tinto, BHP and Roy Hill, has resulted in greater awareness and sharing of knowledge regarding rehabilitation in the Pilbara.

We also continued our support of the Cooperative Research Centre for Transformations in Mining Economies (CRC-TiME), participating in numerous foundation projects including:

- 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.
- A review of techniques for returning, monitoring and measuring ecosystem resilience.
- A pilot project looking at options for sharing rehabilitation and closure-related data, including governance and stewardship frameworks.

In FY21, we also commenced a study in collaboration with CRC-TiME, the University of Western Australia and Curtin University to formulate a bio-engineering process to increase plant available nutrient levels in waste rock using novel plant-microbe systems.

We promote waste management initiatives including plastic reduction across our sites



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.

Our waste management approach aims to reduce waste through the prevention, reduction, recycling and reuse of waste produced across all sites

FY21 performance

While we continue to investigate options to minimise the volumes of non-mineral general waste being sent to landfill, during FY21 we focused on initiatives which reduce and eliminate the use of single-use plastics.

The Plastics Eradication Group was established in FY20 and has continued to drive avoidance and reduction of plastic across Fortescue, with a focus on reducing our reliance on single-use plastics.

Key achievements in FY21 included:

- Commencing the transition from single-use plastic to reusable food containers at sites.
- Removal of plastic drinks containers from our site retail facilities.
- Introduction of plastic-free printing.
- Replacing polyester/cotton branded polo shirts with 100 per cent cotton branded polo shirts.
- Packaging workwear in compostable bags, replacing more than 80,000 single-use protective plastic bags each year.

CASE STUDY



Containers for Change

We started our journey with the Containers for Change initiative in December 2020. Containers for Change is a state wide recycling scheme that reduces litter and prevents millions of eligible containers from ending up in landfill.

Collected containers are sorted by material type and processed before being transformed into new containers and products. In addition to the environmental benefits of the initiative, each eligible container that is deposited generates a 10 cent refund. All of the refunds that we receive through Containers for Change are donated to charity.

Our partners at the City of Perth and Ashburton Aboriginal Corporation have collected containers from our operations and transported them to refund points in Perth, Port Hedland and Tom Price. In just a few months, we have deposited 186,000 containers from our operations, raising more than \$18,000 for our charity partners.



CASE STUDY

Circular economy

Circular economy is a systemic approach to economic development driven by innovation and designed to benefit business, society and the environment. It is based on three principles: designing out waste and pollution, keeping products and materials in use and regenerating natural systems.

During FY21, we commenced a circular economy project with an initial focus on Eliwana, Fortescue's newest operational mine site.

The circular economy project incorporates four major phases: internal review, circular economy

workshop, circular economy options analysis, and pathway to action reporting.

The internal review stage was completed late in FY21, with input from a broad range of functional areas including procurement, environment, sustainability, infrastructure management, waste management and people operations.

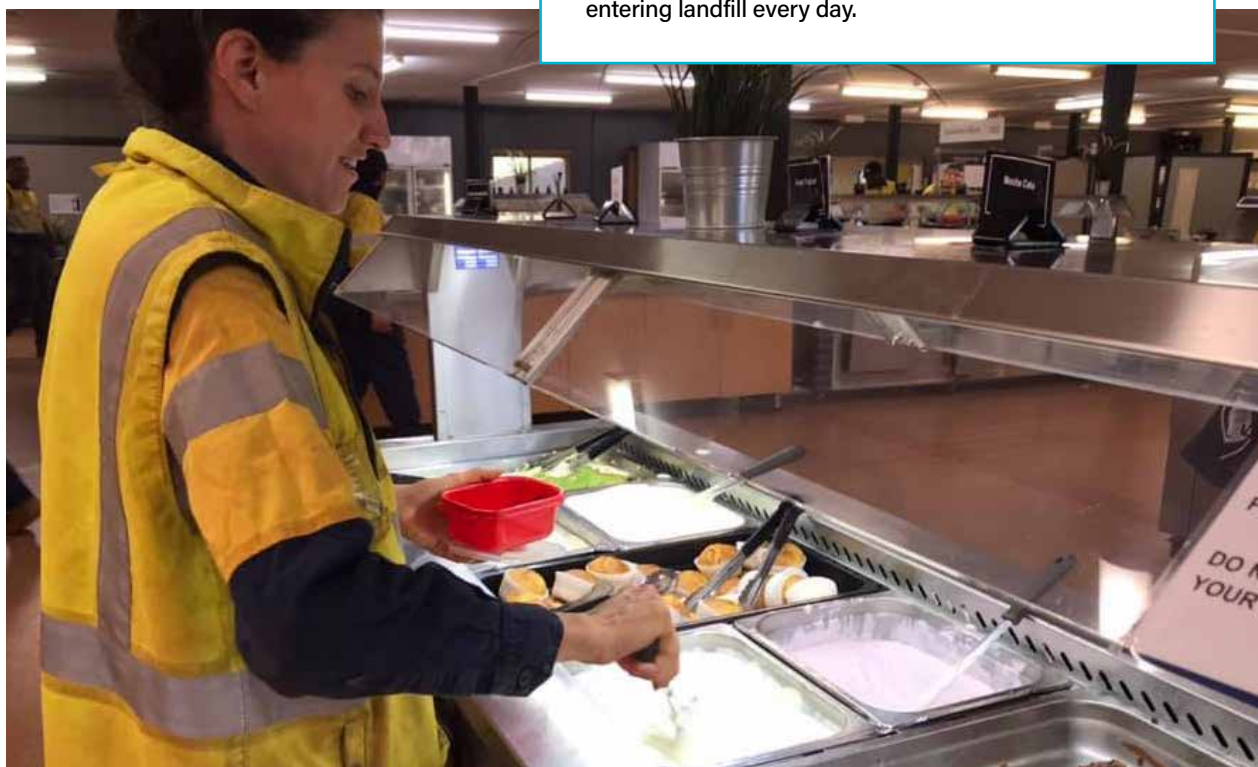
The project will be completed in early FY22 and outcomes and recommendations will be introduced to other areas of the business.

CASE STUDY

Reusable crib containers

A key step on our pathway to eradicate single-use plastics across our operations is the removal of single-use food containers, cutlery and plastic carry bags from our sites. The rollout of reusable items commenced in FY21. The project is driven by our Plastics Eradication Group with support from team members across our sites.

Everyone is issued with a personal reusable crib set, which will prevent more than 20,000 containers from entering landfill every day.



Non-mineralised waste

Non-mineralised waste generated at our sites includes food and food packaging wastes, used oil and office waste. Where waste cannot be recycled or reused, it is disposed of at regulated landfill facilities on site.

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.

We recycled 87 per cent of non-mineralised waste volumes across all of our sites, excluding tyres and concrete waste. This included more than 2,356 tonnes of rubber. The recycling of some wastes was impacted by the COVID-19 pandemic which saw access to some of our recycling partners interrupted.

Hazardous materials

We identify and manage potential direct and indirect impacts of environmentally hazardous materials across our sites under the Chemical and Hydrocarbon Management Plan. This plan includes management measures to minimise the potential environmental impacts associated with chemical and hydrocarbon transport, storage, handling and disposal.

We have also developed procedures for key activities and risks associated with hazardous materials, including a Hazardous Materials Management Procedure and Chemical and Hydrocarbon Spills Procedure.

No hazardous waste, as classified under the Basel Convention, was generated or disposed of at our sites during FY21.



Tailings management

Fortescue's iron ore processing facilities generate a fine-grained by-product, referred to as tailings. The management of tailings storage includes rigorous design practices, comprehensive monitoring and management programs, independent auditing and a strict corporate governance regime.

Tailings material is pumped as a slurry via pipelines to specifically designed Tailings Storage Facilities (TSFs). Over time, the fine-grained material settles, allowing water to be recovered and recycled.

We make use of internal expertise together with external design and review consultants. This ensures that our TSFs are designed, built, operated and closed in line with international best practice, minimising any environmental and community impacts, ensuring operational efficiency and elimination of any risk of catastrophic failure.

The tailings produced during the production of our iron ore are geochemically benign and therefore pose a negligible environmental and/or health contamination risk.

In FY21, 27 million dry metric tonnes of tailings were produced at our sites.

Our tailings storage facilities

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

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 our Iron Bridge project and is in care and maintenance.

The active TSFs are located at our operational mine sites at Cloudbreak, Christmas Creek and Solomon Hub. None of our TSFs are considered to be 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 Australian National Committee on Large Dams (ANCOLD) (Very Low, Low, Significant, High C, High B, High A and Extreme), our TSFs at Cloudbreak, Christmas Creek and Iron Bridge are all classified as Very Low or Low consequence facilities. TSF1 at Solomon is classified as a Significant consequence facility.

Based on the hazard potential criteria presented by the Mine Safety and Health Administration, (MSHA), all Fortescue TSFs are rated as low hazard potential.

We do not employ the upstream raise as a TSF design or construction method. All our TSFs are located in remote areas and there are no communities situated near these facilities.

As part of the TSF design phase, a number of aspects are considered which include the location of mining infrastructure, employees and communities, areas of environmental significance, topography, geological and climatic conditions, surface and groundwater, future land use, tailings characteristics and seismic activity of the area.

Our TSF register, containing detailed information on each TSF, can be found on the Environment page of our website at www.fmgil.com.au

Our Tailings Management Framework

Fortescue carries out all tailings management activities, including design, construction, operation and monitoring in accordance with the requirements of risk-based TSF management set out in the Western Australian Government's Department of Mines, Industry Regulations and Safety (DMIRS) tailings guidelines and the ANCOLD guidelines.

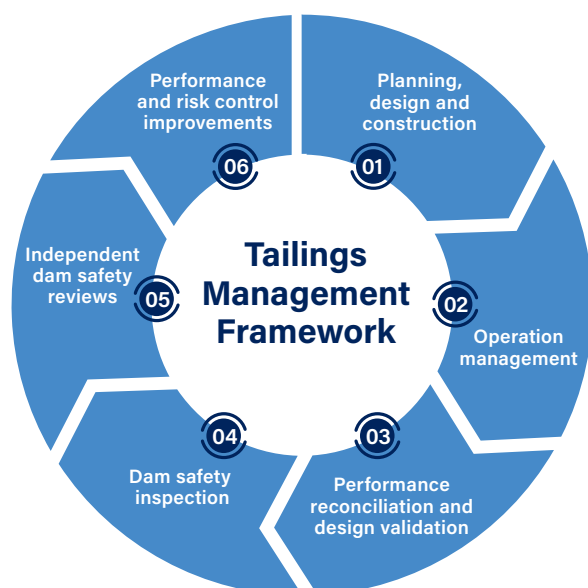
The risk-based process ensures risks are identified and reviewed, and that implementation and control effectiveness are monitored and audited. This process also assists in mitigating the impacts of failure through targeted response plans.

We implement a life-cycle TSF management framework. The objective of this framework is to define, understand, prioritise, control, mitigate and effectively eliminate catastrophic TSF failure (release of tailings to the environment).

Our TSF management framework is underpinned by three preventative critical control groups, as follows:

- **Critical Control Group #1**
Risk and consequence-based planning, investigation, design and construction supervision, and quality assurance and quality control.
- **Critical Control Group #2**
Observational Trigger, Action, Response Plan (TARP) based operation, surveillance (inspection and monitoring) and maintenance.
- **Critical Control Group #3**
Risk-focused condition, performance and dam safety inspections, reviews, audits and corrective planning and implementation.

Each active TSF has a comprehensive Operations, Surveillance and Monitoring Plan and a Dam Safety Emergency Plan that act in parallel with the site Emergency Response Plan.



Inspections and audits

Fortescue implements internal TSF monitoring programs that include daily, weekly, 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.

Each active TSF is also inspected by the external design engineer annually to ensure the facility is being operated in accordance with the design intent. Each TSF (active and inactive) is also audited annually by independent experts to ensure the ongoing safety and integrity of each facility. The most recent design engineer inspections and external audits were completed in late 2020.

In addition, a corporate risk assessment of all our TSFs is conducted annually and reported to the Board with the most recent assessment completed in February 2021. We will continue to engage with tailings storage management experts and regulators to ensure risks are mitigated and managed effectively.

Global industry standard on tailings management

Following the devastating tailings storage failure in Brumadinho, Brazil, in January 2019, a Global Tailings Review (GTR) was initiated by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP) and the Principles for Responsible Investment (PRI). The review launched the Global Industry Standard on Tailings Management (GISTM) to improve the safety of tailings facilities with the intent to achieve zero harm in August 2020, with supporting guidance and compliance protocols were released by ICMM in May 2021.

Fortescue commits to the safe storage of tailings. We support the improvements recommended by the GISTM and we are actively progressing an implementation strategy. In accordance with GISTM requirements, accountable executives have been assigned to all sites and our Tailings Management Framework is being revised to ensure alignment.

07

Creating positive social change



Our Billion Opportunities program promotes sustainable business opportunities for Aboriginal people by building capability and capacity



OBJECTIVE

Create economic opportunities for Aboriginal businesses through local procurement, business development, mentoring and capacity-building opportunities.

TARGET

By 2021, achieve a spend of 10 per cent of total procurement with Aboriginal businesses with at least 50 per cent of the number of contracts awarded to businesses which have more than 50 per cent Aboriginal ownership.

Billion Opportunities

The 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 A\$3 billion to more than 132 Aboriginal businesses.

The Billion Opportunities program is complemented by a range of practical initiatives that provide Aboriginal 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 Aboriginal businesses based on their level of capacity and capability.
- Building the capability and capacity of Aboriginal businesses to ensure the businesses remain sustainable.
- Creating a whole of company approach to engaging and mentoring Aboriginal businesses including setting Aboriginal procurement targets and Key Performance Indicators for our procurement Leaders.
- Well established and embedded procurement processes to ensure Aboriginal engagement is part of our tender evaluation.
- The establishment of joint ventures which provide an opportunity for Aboriginal businesses to partner with established contractors to help build their capabilities, before securing contracts as majority owned businesses.

A major barrier for Aboriginal businesses is accessing capital, with many finding it difficult to own assets due to an inability to access finance. In 2017, we partnered with ANZ to initiate a A\$50 million funding scheme which allows eligible Aboriginal businesses to access finance at a competitive rate. We act as guarantor which removes the need for the Aboriginal business to provide security. The Aboriginal business owns the assets at the expiry of the contract and is then able to use them as security in the future. This initiative has already guaranteed A\$31 million in funding to Aboriginal businesses.

We have committed to spending 10 per cent of our operational procurement budget with Aboriginal businesses and this year we spent A\$429 million with 64 Aboriginal businesses. This represents more than 5 per cent of our total contestable spend. More than 80 per cent of this spend was awarded to businesses owned by Native Title Partners and their members.

In FY21, we also extended contracts and subcontracts to a value of A\$888 million to Aboriginal businesses.

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

CASE STUDY

Celebrating 10 years of Billion Opportunities



In May 2021, we celebrated two significant milestones as part of our Billion Opportunities program. Coinciding with the program's 10 year anniversary, more than A\$3 billion in contracts and subcontracts have been awarded to Aboriginal businesses and joint ventures since the initiative was launched in 2011.

Marking the milestone at Cloudbreak with Western Australia's Aboriginal Affairs Minister, Hon Stephen Dawson MLC, Fortescue CEO Elizabeth Gaines also announced FFI would commit to a target of awarding A\$1 billion in contracts to Aboriginal businesses and joint ventures on green energy projects by 2030.

"At Fortescue, we know that strong, sustainable Aboriginal businesses create employment and development opportunities for Aboriginal Australians," Ms Gaines said.

"I am pleased to be at our Cloudbreak mine where we awarded the first contract under Billion Opportunities in 2011. These milestones are a credit to the Fortescue team, whose commitment has ensured the success of this initiative which continues to deliver lasting change for Aboriginal communities."

Fortescue is committed to creating opportunities for Aboriginal people by providing training, employment and development pathways



Creating employment opportunities for Aboriginal people

OBJECTIVE

Train, employ and develop Aboriginal people within Fortescue and our contracting partners.

TARGET

- By the end of 2020, achieve an Aboriginal employment rate of 20 per cent across Fortescue's Australian operations.
- By the end of 2020, achieve an Aboriginal employment rate of 10 per cent in leadership roles.
- By 2022, achieve an Aboriginal employment rate of 20 per cent in skilled trades.

We are proud to be one of Australia's largest employers of Aboriginal people, directly employing 954 Aboriginal people, representing 10 per cent of our Australian workforce

Training and employment programs

Our Aboriginal training, professional development and support programs are designed to assist Aboriginal people to gain employment and progress their career with Fortescue.

Vocational Training and Employment Centre

Our Vocational Training and Employment Centre (VTEC) has been providing sustainable career pathways for Aboriginal people for over a decade. Built on the compelling idea that following the completion of training you are guaranteed employment, the program is a key part of our training and development strategy.

During FY21, 37 graduates completed the program. The recent cohort of graduates commenced employment in various roles at our Solomon, Eliwana and Chichester Hubs as well as our Hedland Operations. Since its inception in 2006, the program has resulted in the successful employment of over 1000 Aboriginal people across our sites.

Trade Up apprentice program

Fortescue's Trade Up is an award-winning initiative which provides female and Aboriginal employees with a pathway to an apprenticeship. The program had 85 participants in FY21 with 20 participants from earlier intakes successfully gaining permanent employment with us during FY21. The program is supported by our contracting partners (E)Luminate, Wirlu-Murra, South Regional TAFE, North Regional TAFE, South Metropolitan TAFE and CCI.

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

- Support candidates to address health barriers.
- Conduct health screening.
- Implement VTEC's fitness program.
- Educate trainees with respect to health and fitness for work.
- Develop and deliver health and fitness components of the training program.

We strive to build a workplace which understands, supports and champions Aboriginal 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 Aboriginal employees.
- Recognising and rewarding employees who support Aboriginal employment and development.
- Celebrating significant Aboriginal cultural events throughout the year, including NAIDOC Week.

Development pathways

Aboriginal Leaders are critical to enabling a culture that supports and allows Aboriginal people to thrive.

We provide a range of professional development opportunities for Aboriginal employees with leadership aspirations to realise their goals. A key component of this is our Leadership and Excellence in Aboriginal People (LEAP) program.

Since its inception in 2015, our LEAP program has provided 91 Aboriginal employees with a 12-month formal training program which includes off-site education, practical on-site development, internal mentoring, Board exposure, Aboriginal leadership education and business leadership training. Of the 91 people who have completed the program, 58 per cent have been promoted.

Supporting our Aboriginal employees and their families

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 Aboriginal people to remain on Country with their families while still accessing employment opportunities.

In FY21, all Pilbara-based employees were eligible to receive housing support and entitlements. Currently, 233 Aboriginal employees are accessing our owned and leased properties. To support our Pilbara-based Aboriginal employees, we spent approximately A\$7 million during FY21 on housing support.



Creating employment opportunities for Aboriginal people

Target	Progress	SDGs
By the end of 2020, achieve an Aboriginal employment rate of 20% across our Australian operations	<ul style="list-style-type: none"> 954 Aboriginal people employed 10 per cent of our total Australian workforce 797 Aboriginal people working on our Pilbara sites (including labour hire), representing 14% of our Pilbara workforce 4 per cent of leadership roles held by Aboriginal people 26 per cent of Aboriginal employees in trade roles 	
Build skills, capability and opportunities	<ul style="list-style-type: none"> 37 people completed VTEC training in FY21 20 Trade Up Program trainees gained permanent employment during FY21 67 per cent of Trade Up Program participants were Aboriginal in FY21 	   
Create a workplace that supports and encourages Aboriginal employment and promotion	<ul style="list-style-type: none"> Key initiatives: <ul style="list-style-type: none"> Fortescue's Trade Up Program CEO for a Day Leadership and Excellence in Aboriginal People (LEAP) Program Regional FIFO Cultural awareness training of all employees Aboriginal development team support Housing support Aboriginal health programs 	
Provide opportunities for Aboriginal employees to participate in the LEAP Program and CEO for a Day	<ul style="list-style-type: none"> 20 Aboriginal employees participated in LEAP in FY21 91 Aboriginal employees have participated in LEAP since 2015 Three Aboriginal employees participated in the CEO for a Day Program in FY21 	   
Deliver family support options including family site visits	<ul style="list-style-type: none"> 475 family members were hosted at our sites during FY21: <ul style="list-style-type: none"> 127 at Cloudbreak 126 at Christmas Creek 143 at Solomon Hub 79 at Eliwana 	   
Provide and support major community-based family programs	<ul style="list-style-type: none"> The following community-based programs were supported during FY21: <ul style="list-style-type: none"> Big hART Hedland Women's Refuge Community Support Grants Youth Indigenous Council Mingle Mob Pilbara Community Hockey Program 	   
Annual involvement in the policy debate to address Aboriginal disparity	<ul style="list-style-type: none"> The following contributions to policy debate were made during FY21: <ul style="list-style-type: none"> Partner of a research project on Indigenous preferential procurement policies with University of Melbourne 	 



CASE STUDY

VTEC graduates bound for Christmas Creek and Eliwana

The graduation of a cohort of Vocational Training and Employment Centre (VTEC) graduates was held at the Red Earth Arts Precinct in Karratha in May 2021.

Superintendent VTEC Operations Henry Lockyer spoke about the VTEC's success over the past 14 years saying, "We are proud of our VTEC Program which contributes to the success of Fortescue and our operations, and gives Aboriginal and Torres Strait Islander people the opportunity for a sustainable career."

"The opportunities that come from a career with Fortescue have far-reaching benefits for our people, their families and the community," Henry said.

We welcomed four female graduates in this group, including Kasuanna Hunter-Aragua, a Trainee Process Operator who is originally from Broome and now resides in Karratha.

Kasuanna is grateful to everyone who assisted her in her VTEC journey.

"On site I saw a lot of different opportunities and just how much support there is out there. Thank you to everyone from the trainees and trainers to the Leaders and Aboriginal Development. I appreciate all the support," Kasuanna said.

Cimarron Ward, a Trainee Process Operator, is originally from Kununurra and began his Fortescue journey following in the footsteps of many of his family members.

"My older brother has been at Cloudbreak for about six years, my brother-in-law and cousin are also at Cloudbreak and I also have an aunty working for Fortescue," Cimarron said.

"This opportunity means so much for me and my family, especially my kids. I will be able to give them so much more than what I had growing up."

The VTEC graduates have since commenced in various mining roles across Fortescue and will continue to receive mentoring and support from our Aboriginal Development team to help them succeed and thrive in their careers.

Looking forward

To ensure our commitment to Aboriginal employment is embedded in our culture, the following initiatives have been prioritised for FY22:

- Train, employ and develop Aboriginal people within Fortescue and our contracting partners.
- Increase Aboriginal employment across our Australian operations as we target a workforce that reflects the Pilbara Aboriginal population of approximately 14 per cent.
- Increase the Aboriginal employment rate in leadership roles across our Australian operations.
- Create a workplace that supports Aboriginal employment, skill development, capability and opportunities through VTEC and Trade Up, CEO for a Day, LEAP, regional FIFO, mandatory cross cultural awareness training, Aboriginal development team support, housing support for Pilbara residents (rent for success and supporting home ownership), Aboriginal health programs, family site visits, resiliency training and diverse leadership programs.
- Implement and build established community-based programs: Big hART, Hedland Women's Refuge, Community Support Grants, Youth Indigenous Council Mingle Mob, Pilbara Community Hockey Program and Roebourne Working Busy Bee.
- Celebrate our Indigenous cultural diversity through NAIDOC celebrations which educate our wider business about the land on which we operate.
- Set KPIs for VTEC and Traditional Custodian engagement.
- Offer positions on the Empower Program to Traditional Custodians each year.

We support a regional FIFO workforce from Port Hedland, Broome, Fitzroy Crossing, Kununurra and Karratha, with 621 employees based in the Pilbara and 447 who receive housing support



OBJECTIVE

Create economic opportunities in the regions in which we operate through engagement with local businesses and local employment, and build a residential workforce.

TARGET

Annually, achieve at least five per cent of actual spend with local Pilbara suppliers.

Local procurement

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.

We are committed to ensuring the ongoing support and use of local businesses that in turn employ local people. To broaden our understanding of our local businesses and the positive impact they have on the local communities, we undertook a survey of our key local suppliers in FY21.

The survey requested information from businesses on their local employment and economic contributions as well as the challenges they face when developing their local capabilities. The output from this and future surveys will help us guide the implementation of measures to grow the impact of our operations on local suppliers and increase the number of local people they employ.

In FY21, 2,592 suppliers were engaged with a total contestable spend of A\$8.2 billion (GST inclusive). Over 95 per cent of our total procurement spend was with Australian businesses and entities. Of this, 68 per cent was within Western Australia and four per cent directly in the Pilbara.

In FY21, our overseas spend was A\$146.6 million with 27 Chinese suppliers, A\$82.5 million with six entities based in the Netherlands, A\$49.8 million with 43 entities based in the United States of America and A\$74.8 million with other overseas suppliers.

Our social investment focuses on bespoke programs delivered in partnership with local communities



OBJECTIVE

Deliver value to our communities through strategic community investment.

TARGET

Allocate funding according to priorities set in the community investment strategy.

Voluntary social investment programs 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 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.

Health and wellness	Education and development	Environmental responsibility	Arts and culture
Initiatives that improve health, safety and wellness.	Initiatives that improve education and reduce inequality for Aboriginal people and those that improve gender equality.	Initiatives that address biodiversity conservation, climate action and water.	Initiatives that promote culture and provide access to the arts for regional communities.
 	  	    	  

In FY21, we contributed over A\$63.2 million in social investment

Social investment is defined as our investment in philanthropic, community and commercial initiatives. This investment aims to build sustainable communities, focusing on areas of health, wellness, education, regional development, environmental responsibility, arts and culture, and providing employment and training opportunities to Indigenous people.

Social investment contributions include financial, in-kind contributions and management costs. A number of examples are set out below.

Our voluntary social investment

How we invest	Who we invest with	Our progress
Donations and matched giving	<p>We support a range of charities through general donations, Containers for Change donations and our Great Days initiative:</p> <ul style="list-style-type: none"> ▪ Lifeline WA ▪ MADALAH ▪ Ronald McDonald House Charities WA ▪ Royal Flying Doctor Service ▪ Salvation Army ▪ Minderoo Foundation Bushfire Fund ▪ Mettle Women ▪ Smith Family ▪ Make A Wish Foundation ▪ Starlight Children's Foundation 	<p>During FY21, we provided over A\$2.8 million in donations and matched giving</p>
Partnerships and sponsorships	<ul style="list-style-type: none"> ▪ Big hART ▪ Black Swan State Theatre Company ▪ East Pilbara Race Club ▪ Girls Academy ▪ Hedland Clontarf Academy ▪ Hedland Senior High School ▪ Hedland Women's Refuge ▪ Hockey Australia: Pilbara Community Hockey Program ▪ Minderoo Fire Fund ▪ National Indigenous Business Summer School ▪ Pilbara for Purpose ▪ Port Hedland Chamber of Commerce and Industry ▪ Port Hedland Seafarers ▪ Rugby WA ▪ South Hedland Swans and Swanettes Football Club ▪ Up4it ▪ WA Police Legacy ▪ Young Indigenous Art and Writers Program 	<p>During FY21, we contributed A\$1.8 million towards partnerships and sponsorships</p>

Our voluntary social investment

How we invest	Who we invest with	Our progress
Community grants	<p>We provide community grants of up to \$5,000 to eligible applicants to support community initiatives within the council boundaries of:</p> <ul style="list-style-type: none"> ▪ City of Karratha ▪ Shire of Ashburton ▪ Shire of East Pilbara ▪ Town of Port Hedland 	<p>During FY21, we provided 60 community grants totalling A\$146,000</p> <p>A total of A\$2.3 million has been awarded through this program to date</p>
Pilbara training programs	<p>We provide Pilbara-based training and development programs, including a spend of A\$33.1 million on apprenticeships and traineeships, and A\$3.1 million on our VTEC program in FY21.</p>	<p>During FY21, we spent A\$36.2 million on community-based training and development</p>
Support of Pilbara residential employees	<p>In FY21, we spent A\$16.2 million in housing support subsidies for 447 regionally based employees in the Pilbara. This includes subsidies for rent, water costs and electricity costs.</p> <p>In addition, A\$706,000 was provided to employees under the Pilbara Home Ownership Program. This program applies to Karratha and Hedland employees for the purchase of a home that serves as their principal place of residence. We assist with upfront purchase costs (up to A\$25,000), ongoing mortgage interest payments, electricity and water costs.</p> <p>We spent A\$3.6 million in FY21 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.</p>	<p>During FY21, we provided support valued at A\$20.5 million to our Pilbara residential employees</p>

Our in-kind contributions and management costs

How we invest	Who we invest with	Our progress
In-kind contributions: employee volunteering, use of company equipment and donation of products	<ul style="list-style-type: none"> Employee volunteering expenses for the Minderoo Fire Fund Patient and staff transport on Fortescue flights for the Earbus Foundation Busy bees, construction and maintenance of infrastructure at local schools, clubs and associations including the Port Hedland Seafarers Centre, Port Hedland Volunteer Fire Rescue Service, Care for Hedland, South Hedland RSL Club, Port Hedland Rovers Football Club, South Hedland Primary School, Hedland Senior High School, South Hedland Swans Football Club, Pilbara Indigenous Women's Aboriginal Corporation Community barbeques 	During FY21, we contributed in-kind support to the value of more than A\$468,000
Management costs	<ul style="list-style-type: none"> Community investment team salaries Rental costs for community offices 	During FY21, we spent A\$1.3 million in management costs

CASE STUDY

Supporting the Minderoo Foundation

Dr Andrew Forrest AO and Nicola Forrest AO founded the Minderoo Foundation in 2001 and continue to drive its philanthropic mission today. To date, the Forrest family have donated more than A\$2 billion in Fortescue dividends to the Minderoo Foundation. Their donations have been used to support a broad range of Minderoo's philanthropic projects, including:

- Building Community
- Collaborate Against Cancer
- Fire & Flood Resilience
- Flourishing Oceans
- Frontier Technology
- Generation One
- No Plastic Waste
- Research
- Thrive By Five
- Walk Free.

Fortescue's success has supported these initiatives that help our communities thrive. This arrangement ensures a level of unparalleled sustainability for our philanthropic endeavours.





In FY21, we supported over 100 organisations via our social investment program. We recognise and thank all of the groups and individuals we have worked with

Some highlights from FY21 include:

Royal Flying Doctor Service

Value: \$1 million



The Royal Flying Doctor Service (RFDS) provides emergency health care services to our regionally based families and remote operations. The RFDS has taken care of our employees in evacuations from site for medical reasons and we have worked alongside them to assist those in the community who needed urgent medical care.

In recognition of the important service provided by the RFDS, we contributed \$1 million to the organisation this year.

Lifeline WA

Value: \$250,000



Lifeline WA delivers core suicide prevention and crisis support services and creates opportunities for emotional wellbeing. We encourage employees to access Lifeline's 24/7 Crisis Support Hotline and other personal crisis support services in conjunction with our EAP and our Chaplaincy Program.

Lifeline WA also accompanied our Chaplains on a month-long roadshow across our Pilbara operations to raise awareness of mental health and wellbeing and provide direct access to support services during FY21.

The Salvation Army

Value: \$250,000



The Salvation Army supports those experiencing hardship or injustice. This is delivered through a range of programs, including youth services, homelessness services, emergency accommodation and street outreach. The Salvation Army also provides direct on the ground support during disasters as was evident during the recent Perth fires. They work with other organisations to support the victims of modern slavery and assist those with alcohol and drug addiction. We encourage employees to fundraise, volunteer their time and to donate to this important charity.

Ronald McDonald House Charities WA

Value: \$270,000



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 continue to foster a strong partnership with RMH and this year contributed over \$270,000 to the organisation, including funds to support the Adopt-A-Room program through the direct sponsorship of two rooms for the year.

Big hART Value: \$100,000

BIG hART

We have partnered with Big hART since 2017 to support the delivery of Aboriginal youth workshops, which are focused on safety and wellbeing, increasing digital inclusion, intergenerational change, connection to culture and education pathways. In FY21, Big hART delivered youth workshops for young people living in the Roebourne community, including on Country trips, education in film, animation and illustration via the Digital Lab and the delivery of a variety of community events, including the Songs for Peace concert and the Songs for Freedom music festival.

Black Swan State Theatre Company Value: \$333,000



We are the principal partner of the Black Swan State Theatre Company of WA. Established in 1991, Black Swan is Western Australia's flagship theatre company and plays a key role in developing artists and reaching audiences across the state. Fortescue and Black Swan are both strong West Australian brands with a shared ambition for our state and a dedication to building vibrant communities across the state.

Hedland Clontarf Academy Value: \$75,000



Fortescue supports the provision of student places at the Hedland Senior High School Academy in South Hedland. The Academy provides a holistic and diverse strategy of engagement for young Aboriginal and Torres Strait Islander men with the aim to improve education, discipline, life skills and employment opportunities. Since its establishment, the Academy has been embraced by the Hedland Senior High School with over 130 students aged 12-18 years currently participating in the program.

Port Hedland Community (Town of Port Hedland) Value: \$200,000



We are committed to supporting and building the Pilbara region and ensuring the local townships are vibrant and sustainable communities. We have a longstanding partnership with the Town of Port Hedland and work collaboratively to achieve their vision of creating a vibrant and flourishing place for people to live and work. With more than 500 employees residentially based in the Pilbara, we are proud to support the communities where we live and work. This extends beyond financial support to investing time and working directly with people and organisations throughout the Pilbara.

Hockey Australia and the Pilbara Community Hockey Program Value: \$500,000



We continued our sponsorship of the Australian national men's and women's hockey teams, as the Naming Rights Partner of the Kookaburras and a Supporting Partner of the Hockeyroos. Under the umbrella of the National Indigenous Hockey Program, in partnership with Hockey Australia, we deliver the Pilbara Community Hockey Program to 13 schools and two local hockey associations. Through this program, members of the Kookaburras and Hockeyroos host workshops to develop hockey skills, with positive messaging about healthy lifestyle to children in their capacity as national role models and elite athletes. Complementing the delivery of school workshops is the Indigenous Pathways function, which provides funding support and assistance for Indigenous children with the potential to engage in professional level hockey. The partnership also sees the Kookaburras and Hockeyroos participate in community outreach events such as the Welcome to Hedland Expo and Clean up Australia school activities in Port Hedland.





RugbyWA and Western Force Value: \$100,000



We have a longstanding association with rugby union in Western Australia and are the Naming Rights Partner of the RugbyWA senior rugby competition. The Fortescue Premier Grade is the highest level of competition for club rugby union in Western Australia. Our sponsorship helps to build a talent pool of players and provide a pathway to the Western Force while supporting the efforts of community volunteers and sports people who contribute to their local communities through sport.

Community Grants Program

Operating for 13 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.

During FY21, we awarded 60 community grants totalling over \$146,000 to local community organisations, sporting clubs and non-profit groups.

The deadline for the second round of applications for our Community Grants Program was extended to accommodate organisations and projects affected by the COVID-19 pandemic.

Human rights

We are committed to respecting and promoting 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



OBJECTIVE	TARGET
Active engagement on human rights issues in business.	Ongoing active engagement including on modern slavery in the supply chain.

We conduct business in a manner 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 Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work. We are also a signatory to the United Nations Global Compact.

Our Code of Conduct and Integrity and Human Rights Policy are the foundation documents for human rights protection across Fortescue. Our Human Rights Policy is applicable to our directors, employees, contractors and suppliers.

Potential human rights risks are identified and assessed within our company-wide Risk Management Framework. This framework ensures consideration of potential human rights risks by senior management and the Board, with the ARMSC responsible for oversight of risk management (including human rights risks) on behalf of the Board.

We also undertake in-country risk assessments before investing in any country to ensure the level of human rights risk, including the risk of modern slavery, is well understood.

Our human rights assessments have identified the key risks as protecting the health and safety of employees and contractors, addressing modern slavery in the supply chain and protecting the rights of Aboriginal people and communities near our operations.

We ensure the protection of human rights by:

- Actively communicating our approach and expectations to all stakeholders including suppliers.
- Engaging with stakeholders to understand the impacts of our activities and working with them to optimise benefits and limit negative impacts.
- Undertaking ongoing due diligence to identify, prevent and mitigate the adverse impacts of our activities, capturing outputs in our corporate risk register.
- Providing access to remedy via our Grievance Procedure.
- Seeking to secure the consent of Traditional Custodians for mineral exploration and development on their traditional lands.
- Considering human rights in our sourcing and purchasing decisions, and promoting our expectations via contract clauses.
- Participating in engagement sessions related to human rights policy and regulatory development.

Following a review of our due diligence practices, we are developing a Social Performance Standard to specify how we work with communities and stakeholders to avoid negative impacts and create opportunities. It will outline when we should conduct social and human rights impact assessments and the subsequent actions that should be undertaken to address and monitor potential impacts.

The training of our employees is a critical component of our program to ensure human rights are protected. During FY21, our Sustainability team delivered advanced face-to-face human rights training to 205 team members.

Displacement and resettlement

In line with our Human Rights Policy, Fortescue seeks to avoid physical and economic displacement of project-affected people wherever possible. We will always consider feasible alternative project options.

If required, we have a robust process for identifying, avoiding, and mitigating project induced displacement associated with our business. This process is consistent with the International Finance Corporation Performance Standard 5: Land Acquisition and Involuntary Resettlement.

To date, no displacement has been caused by our operations.

Grievance procedure

This year we also reviewed our Grievance Procedure. The updated procedure will include a requirement that all Fortescue locations develop and maintain a locally appropriate grievance mechanism that is easy for community members to access and is respectful of local cultural norms.

All complaints to Fortescue are taken seriously, recorded, investigated and reported on, in accordance with our Grievance Procedure. In FY22, we will begin regular auditing of the implementation of our Grievance Procedure.

Social incidents

We are working to ensure that all social incidents are recorded. Social incidents include the following:

- A community complaint/grievance.
- A breach of Fortescue's social obligations.
- Unplanned or unwanted events associated with Fortescue sites, projects or personnel that affect communities or community members.
- Unplanned or unwanted events which involve the local community, or other external stakeholders, and have the potential to affect the security, safety and/or reputation of Fortescue employees, contractors, site visitors and/or assets.

Social incidents will be classified according to our Incident Event Management Procedure and recorded in our centralised incident reporting system, which also manages health and safety and environmental incidents.

CASE STUDY

Human rights before economics



FFI is harnessing the world's renewable energy resources to produce green electricity, green hydrogen, green ammonia and other green industrial products.

As we work with countries around the world to investigate opportunities, we will use our voice to advance certain issues. This includes working to address exploitation and slavery, equality of employment and education, and enriching communities through economic growth.

We have entered into agreements with various countries that include serious commitments to human rights. We are proud that these agreements are the first to place human rights and environment before economics in every discussion we have, with every government.

FFI's proposal in the Democratic Republic of Congo (DRC) to create a major downstream green hydrogen and green ammonia industry, will contribute to the elimination of global warming. The long anticipated Grand Inga Hydroelectric Project, including the Matadi and the Pioka projects, will include downstream green industry processing and interconnected port precinct.

This project will provide significant economic opportunities for the people of the DRC and, in partnership with the government, we will establish training facilities to maximise local community participation in the workforce.



Modern slavery

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

We are committed to identifying, assessing and mitigating human rights impacts, providing access to remedy through effective grievance mechanisms and continually strengthening our actions. We work in collaboration with our suppliers to eradicate modern slavery from our supply chain.

Key actions undertaken during FY21 include:

- Further refinement of our modern slavery work program.
- Updating our risk assessment process with additional criteria for a more targeted assessment of our suppliers.
- Undertaking independent audits of one international supplier and two Australian based suppliers.
- Implementing a human rights supplier site checklist which helps our employees engage with suppliers at their sites and identify areas where additional monitoring is required.
- Undertaking face to face human rights and modern slavery training for relevant roles and teams.
- Reviewing independent supplier risk assessment tools to identify the risk profile of our supply base.

The eradication of modern slavery requires a collaborative approach where government, business, civil society and the wider community work together to address the issue.

During FY21, we continued our work with the following groups to achieve this joint goal:

- Global Compact Network Australia (GCNA)
- Walk Free Foundation
- WA Modern Slavery Collaborative.

We currently have no identified instances of modern slavery in our supply chain. However, we acknowledge the challenges in gaining and improving transparency across the tiers of our supply chain. Verifying supplier data at multiple levels is difficult and resource intensive and we are continuing to refine this process.

We promote our Whistleblower Hotline with suppliers. In FY21, we had zero whistleblower disclosures via our hotline pertaining to modern slavery allegations.

To date, we have published three Modern Slavery Statements to detail our supply chain, risk categories, key countries and spend. The Board-approved statement outlines the actions we have taken to assess and address modern slavery risks in our business and supply chain.

Our FY21 Modern Slavery Statement will be published in December 2021 and will be available on our website at www.fmgl.com.au

An aerial photograph of a coastal region. In the foreground, a wide, sandy beach curves along a body of water with a vibrant turquoise hue. To the right of the beach, a small town with numerous houses and trees is situated. The background shows a vast, flat landscape with patches of green vegetation and a winding river or canal. Two horizontal green bars are positioned on the left side of the image, one above the page number and one below the title.

08

Corporate Directory

Navigational index

Fortescue's Sustainability Report contains Standard Disclosures from the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, and the associated Mining and Metals Sector Supplement.

The FY21 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 FY21 Sustainability Report, FY21 Annual Report, FY21 Climate Change Report and FY21 Corporate Governance Statement 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.

General Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
102-1	Name of the organisation	About this report: page 2		
102-2	Organisation's activities, brands, products and services	About Fortescue: pages 8-9		
102-3	Location of headquarters	About Fortescue: page 9		
102-4	Location of operations	About Fortescue: page 9 Overview of operations: pages 19-23		
102-5	Ownership and legal form	About Fortescue: page 8-9 FY21 Annual Report – Shareholder information: page 160		
102-6	Markets served	About Fortescue: pages 8-9		
102-7	Scale of the organisation	Year at a glance: page 3 About Fortescue: pages 8-9		
102-8	Information on employees and other workers	Data tables: pages 117-121		
102-9	Supply chain	Value chain: page 23 Local procurement: page 99		
102-10	Significant changes to the organisation and supply chain	FY21 Annual Report – Financial Report – Director's Report: pages 66		
102-11	Precautionary Principle or approach	Protecting biodiversity: pages 76-80	1,2,4	7
102-12	External initiatives	Chief Executive Officer's message: pages 5-7 Our approach to sustainability: pages 25-30 Memberships and commitments: pages 35-36	2	
102-13	Memberships	Memberships and commitments: pages 35-36	2	
102-14	Statement from senior decision maker	Chief Executive Officer's message: pages 5-7	2	1,4,5
102-15	Key impacts, risks and opportunities	Material issues: page 27 Throughout the report		
102-16	Values, principles, standards and norms of behaviours	Our Values: inside cover Our approach to sustainability: pages 25-30	1,2	10
102-18	Governance structure	Corporate Governance: page 32	1	

General Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
102-32	Highest governance body's role in sustainability reporting	Our approach to sustainability: pages 25-30 Corporate Governance: page 32 Human rights: pages 107-109 FY21 Climate Change Report	1	
102-40	List of stakeholder groups	Engaging with stakeholders: pages 34-36	4,10	
102-41	Collective bargaining agreements	Our Fortescue family: page 46	3	3
102-42	Identifying and selecting stakeholders	Engaging with stakeholders: pages 34-36	4,10	
102-43	Approach to stakeholder engagement	Engaging with stakeholders: pages 34-36	4,10	
102-45	Entities included in the consolidated financial statements	FY21 Annual Report – Notes to the Consolidated financial statement: pages 108		
102-46	Defining report content and its boundary	About this report: page 2 Our approach to sustainability: pages 25-30	2	
102-47	List of material topics	Material issues: pages 27-31 United Nations Sustainable Development Goals: page 26	2	
102-48	Restatements of information	Restatements of information are noted in the text		
102-49	Changes in reporting	Our approach to sustainability: pages 25-30		
102-50	Reporting period	About this report: page 2	10	
102-51	Date of most recent report	FY20 (released 24 August 2020)		
102-52	Reporting cycle	About this report: page 2		
102-53	Contact point for questions regarding the report	About this report: page 2		
102-54	Claims reporting in accordance with GRI Standards	About this report: page 2		
102-55	GRI content index	Corporate Directory: pages 111-116		
102-56	External Assurance	About this report: page 2	10	
Management approach				
103-1	Explanation of the material topic and its boundary	Covered for each material issue throughout the report. Material issues: page 27	4,10	
103-2	The management approach and its components	Covered for each material issue throughout the report. Material issues: page 27		
103-3	Evaluation of the management approach	Covered for each material issue throughout the report. Material issues: page 27		

Specific Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material issue: Employee health and safety				
DMA	Disclosure on management approach	Employee health, safety and wellbeing: pages 38-45		
Occupational health and safety				
403-9	Work-related injuries	Employee health, safety and wellbeing: pages 38-45 Data tables: page 117	5	1
Material issue: Economic contribution				
DMA	Disclosure on management approach	Total global economic contribution: page 65 Approach to tax: pages 65-68		
Economic performance				
201-1	Direct economic value generated and distributed	Total global economic contribution: page 65 Approach to tax: pages 65-68	9	
201-2	Financial implications and other risks and opportunities due to climate change	FY21 Climate Change Report	6	7
Material issue: Workplace diversity				
DMA	Disclosure on management approach	Workplace diversity: pages 50-57		
Diversity and equal opportunity				
405-1	Diversity of governance bodies and employees	Workplace diversity: pages 50-57 Data tables: page 122	3	6
Employee training and education				
404-1	Average hours of training per year per employee	Data tables: pages 119-120	5	6
404-3	Percentage of employees receiving regular performance and career development reviews	Our Fortescue family: page 48 Data tables: page 119	5	6
Employment				
401-1	Total number and rates of new employee hires and employee turnover	Data tables: pages 117-119	3	6
Material issue: Protecting Aboriginal heritage				
DMA	Disclosure on management approach	Preserving Aboriginal heritage: pages 58-61		
Rights of Indigenous peoples				
411-1	Incidents of violations involving rights of Indigenous peoples	Preserving Aboriginal heritage: pages 58-61	3,10	1,2

Specific Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
G4-MM5	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	Preserving Aboriginal heritage: pages 58-61	3,9	1,2
G4-MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	Preserving Aboriginal heritage: page 61	3,9	1,2
Material issue: Ethical business conduct				
DMA	Disclosure on management approach	Business integrity: pages 62-63		
Anti-corruption				
205-3	Confirmed incidents of corruption and actions taken	Business integrity: pages 62-63	1	10
Material issue: Climate change action and disclosure				
DMA	Disclosure on management approach	FY21 Climate Change Report		
Emissions				
305-1	Direct (Scope 1) GHG emissions	FY21 Climate Change Report	6	8
305-2	Energy indirect (Scope 2) GHG emissions	FY21 Climate Change Report	6	8
305-4	GHG emissions intensity	FY21 Climate Change Report	6	8
305-5	Reduction of GHG emissions	FY21 Climate Change Report	6	8
Material issue: Protecting biodiversity and water resources				
DMA	Disclosure on management approach	Protecting biodiversity: pages 76-80		
Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting biodiversity: pages 76-80	7	8
304-2	Significant impacts of activities, products and services on biodiversity	Protecting biodiversity: pages 76-80 Data tables: page 123	7	8
304-3	Habitats protected or restored	Protecting biodiversity: pages 76-80	7	8
304-4	IUCN Red Listed Species and national conservation list species with habitats in areas affected by operations	Protecting biodiversity: pages 76-80	7	8

Specific Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed and rehabilitated	Data tables: page 120	6	8
G4-MM2	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: pages 76-80	7	8
Closure planning				
G4-MM10	Number and percentage or operations with closure plans	Closure and rehabilitation: pages 85-86	6,9	7
Water				
303-1	Interactions with water as a shared resource	Sustainable water management: pages 81-84	6	7,8
303-2	Management of water discharge-related impacts	Sustainable water management: pages 81-84	6	7,8
303-3	Water withdrawal by source	Data tables: pages 120-121	6	7,8
303-4	Water discharge by category	Data tables: page 121	6	7,8
303-5	Water recycled and reused	Data tables: page 121		8
Material issue: Tailings management				
DMA	Disclosure on management approach	Tailings management: pages 90-91		
Waste				
306-1	A description of the inputs, activities, and outputs that lead or could lead to significant waste-related impacts	Tailings management: pages 90-91	4,5,8	7
G4-MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Tailings management: pages 90-91 Data tables: page 121	4,5,8	7
Material issue: Creating employment and business opportunities for Aboriginal people				
DMA	Disclosure on management approach	Building business opportunities: pages 93-94 Creating employment opportunities for Aboriginal people: pages 95-98		

Specific Standard Disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Local communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Engaging with stakeholders: pages 34-36 Building business capabilities: pages 93-94 Creating employment opportunities for Aboriginal people: pages 95-98	3,9	6
413-2	Operations with significant actual and potential negative impacts on local communities	Engaging with stakeholders: pages 34-36 Preserving Aboriginal heritage: page 61 Building sustainable communities: page 99	9,10	
Material issue: Building sustainable communities				
DMA	Disclosure on management approach	Building sustainable communities: page 99		
Indirect economic impacts				
203-2	Significant indirect economic impacts	Building sustainable communities: page 99		
Procurement practices				
204-1	Proportion of spending on local suppliers	Building sustainable communities: page 99	2,9	6
Material issue: Human rights				
DMA	Disclosure on management approach	Human rights: pages 107-109		
Human rights assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	Human rights: pages 107-109	3	1,2
412-2	Employee training on human rights policies and procedures	Human rights: pages 107-109 FY20 Modern Slavery Statement	3	1,2,3,4,5,6
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights: pages 107-109 FY20 Modern Slavery Statement		1,2,3,4,5,6
Child labour				
408-1	Operations and suppliers at significant risk for incidents of child labour	FY20 Modern Slavery Statement	3	1,2,5
Forced or compulsory labour				
409-1	Operations and suppliers at significant risk for incidents of child labour	FY20 Modern Slavery Statement	3	1,2,4,5

Data tables

Health and safety (Fortescue iron ore operations)

Fatalities by region	FY21	FY20	FY19	FY18	FY17
Australia	0	0	0	0	0
China	0	0	0	0	0
South America	0	0	0	0	0
Other International	0	0	0	0	0
Total	0	0	0	0	0

Safety Excellence and Culture Survey participation (%)	99	96	93	94	92
Positive drugs test results (%)	2.0	0.5	0.8	0.6	0.5

TRIFR by region	FY21 Total	FY21 Contractor	FY21 Employee	FY20 Total	FY19 Total	FY18 Total	FY17 Total
Australia	2.0	2.6	1.2	2.3	2.8	3.7	2.9
China	0.0	0.0	0.0	0	0	0	0
South America	3.5	6.8	2.3	6.0	3.7	0	0
Other International	0.0	0.0	0.0	0	0	0	0
Company wide	2.0	2.6	1.2	2.4	2.8	3.7	2.9

Injury severity rate by region	FY21 Total	FY21 Employee	FY21 Contractor	FY20 Employee	FY20 Contractor	FY19 Employee	FY19 Contractor
Australia	62	40	76	53	80	83	132
China	0	0	0	0	0	0	0
South America	45	54	20	42	0	80	0
Other international	0	0	0	0	0	0	0
Company wide	61	40	76	52	79	79	132

Recordable occupational illness rate by region	FY21 Employee	FY21 Contractor	FY20 Employee	FY20 Contractor	FY19 Employee	FY19 Contractor
Australia	0	0.2	0.1	0.1	0.2	0.1
China	0	0	0	0	0	0
South America	0	0	0	0	0	0
Other international	0	0	0	0	0	0
Total	0	0.2	0.1	0.1	0.2	0.1

Safety fines by region	FY21 fines (no.)	FY21 Value (A\$)	FY20 fines (no.)	FY20 Value (A\$)	FY19 fines (no.)	FY19 Value (A\$)
Australia	0	0	0	0	1	\$64,000
International	0	0	0	0	0	0

Employment

Number of staff by gender (employees and labour hire)	FY21	FY20	FY19	FY18
Male	8,023	6,858	5,438	4,749
Female	2,141	1,650	1,312	1,002
Total	10,164	8,508	6,750	5,751
Number of staff by employment type (employees and labour hire)	FY21	FY20	FY19	FY18
Full time	7,191	6,180	4,756	3,953
Part time	530	414	454	347
Fixed term full time	394	220	148	174
Fixed term part time	11	10	2	5
Casual	123	131	146	46
Labour hire	1,915	1,553	1,244	1,226
Total	10,164	8,508	6,750	5,751

Data tables

Employment						
Flexible working arrangements			FY21	FY20	FY19	FY18
Number of staff that utilised flexible working arrangements			550	438	463	360
Number of staff by employment category (employees only)	Female			Male		
	FY21	FY20	FY19	FY21	FY20	FY19
CEO	1	1	1	0	0	0
GM and above	16	13	11	50	40	35
Managers	68	49	31	205	147	114
Superintendents	77	58	49	361	259	191
Supervisors	64	44	32	531	449	373
Other (professionals, operators, trades, support staff)	1,531	1,175	941	5,345	4,720	3,728
Total	1,757	1,340	1,065	6,492	5,615	4,441
Number of staff by region (employees and labour hire)						
Australia	1,991	1,521	1,204	7,741	6,631	5,244
Argentina	27	19	14	65	39	25
China	16	13	8	18	14	10
Ecuador	76	87	79	147	167	154
Other	31	10	7	50	7	5
Total	2,141	1,650	1,312	8,021	6,858	5,438
Number of staff in specific employment areas (employees and labour hire)			FY21	FY20	FY19	FY18
Females working in the Perth Office (%)			36	38	39	24
Aboriginal people working on Pilbara sites (%)			14	14	15	22
Number of staff by age and gender	Female			Male		
	FY21	FY20	FY19	FY21	FY20	FY19
<30	654	469	390	1,401	1,288	1,018
31 - 50	1,202	960	747	4,931	4,122	3,264
51+	285	221	175	1,691	1,448	1,156
Total	2,141	1,650	1,312	8,023	6,858	5,438
Females in management positions (%)						
Females in senior leadership positions			25	26	26	24
Females in manager and above positions			25	25	22	22
Board membership by gender						
Male			5	5	4	4
Female			4	4	5	5

Data tables

Employment				
Number of Aboriginal employees by gender (employees and labour hire)	FY21	FY20	FY19	FY18
Male	687	616	573	607
Female	267	228	206	203
Total	954	844	779	810
Aboriginal people (%)	10	10	12	14
Aboriginal people working across all sites (employees, labour hire and contractors)				
Number of Aboriginal people working across all sites	1,292	1,310	1,070	1,161
Employee turnover				
Voluntary turnover (%)	8	8	9	11
Involuntary turnover (%)	2	2	2	2
Total	10	10	11	13
Voluntary turnover by gender (direct employees only)				
Male (%)	8	8	10	10
Female (%)	8	10	11	12
Parental leave				
Number of employees who took primary carers parental leave	141	123	114	95
Number of female employees who took primary carers parental leave	94	92	91	82
Primary carers parental leave retention rate (%)	99	94	88	-
Employees eligible for parental leave (%)	77	71	76	88
New employee hires by gender (direct employees only)				
Male employees	1,543	1,824	1,256	603
Female employees	586	464	396	155
Absentee rate by gender (direct employees only)				
Male (%)	4.0	-	-	-
Female (%)	3.9	-	-	-
Training and development				
Employees receiving regular performance and career development reviews by gender (%)	FY21	FY20	FY19	FY18
Male	100	100	100	100
Female	100	100	100	100

Data tables

Training and development				
Total hours of training by gender (employees and labour hire)	FY21	FY20	FY19	FY18
Male	84,920	138,875	325,235	146,222
Female	75,523	23,052	40,368	23,881
Total hours of training by employee type (employees and labour hire)				
Permanent full time	150,305	149,621	164,190	154,437
Fixed term	3,155	6,056	4,511	4,222
Part time	6,983	6,250	14,597	11,415
Health and safety training in hours by gender and employment type				
Male employees and labour hire	45,100	25,404	24,703	19,303
Female employees and labour hire	10,102	4,155	3,298	2,426
Male contractors	93,285	67,653	40,246	51,156
Female contractors	11,621	8,097	3,023	4,780
Native Title and heritage				
	FY21	FY20	FY19	FY18
Number of reportable heritage incidents	1	0	0	0
Number of heritage places managed	6,022	5,933	5,902	5,597
Land ethnographically surveyed in FY21 (ha)	132,439	198,798	219,894	202,575
Land ethnographically surveyed - total (ha)	2,698,833	-	-	-
Land archaeologically surveyed in FY21 (ha)	32,545	-	-	-
Land archaeologically surveyed - total (ha)	273,581	-	-	-
Number of Land Access Agreements in place	7	7	7	7
Environment and water				
Environmental incidents	FY21	FY20	FY19	FY18
Number of significant environmental incidents	0	0	0	0
Land				
Total land disturbed (ha)	41,888	32,202	28,973	27,304
Total land rehabilitated (ha)	3,840	3,523	4,232	4,008
Air				
Total NOx emissions (metric tonnes)	14,877	14,347	-	-
Total SOx emissions (metric tonnes)	195	200	-	-
Total particulate emissions (PM ₁₀) (metric tonnes)	108,723	79,980	-	-
Total CO emissions (metric tonnes)	6,440	-	-	-
Total mercury (Hg) emissions (metric tonnes)	0.04	-	-	-
Total lead (Pb) emissions (metric tonnes)	2.4	-	-	-
Total Volatile Organic Compound (VOC) emissions (metric tonnes)	956	-	-	-
Water withdrawn by source (kL)				
Surface water withdrawal	0	0	0	0
Fresh surface water withdrawal	0	0	0	0
Groundwater withdrawal	151,093,243	169,181,067	136,266,801	142,292,710
Fresh groundwater withdrawal	17,251,353	-	-	-
Seawater withdrawal	592,591	558,472	541,621	530,992

Data tables

Environment and water				
Water withdrawn by source (kL) continued	FY21	FY20	FY19	FY18
Surface water withdrawal in areas with high or extremely high water stress	0	0	0	0
Groundwater withdrawal in areas with high or extremely high water stress	0	-	-	-
Rainwater collected/stored	0	0	0	0
Municipal water supplies, other public or private water utilities	23,374	20,089	21,875	17,658
Water sources significantly affected by withdrawal of water	0	0	0	0
Third party	-	-	-	-
Water returns to the environment (kL)				
Managed aquifer recharge	95,818,525	111,888,995	95,826,877	91,679,678
Surface water discharge	0	0	0	0
Supplementation	2,347,537	3,547,636	2,417,352	2,907,454
Infiltration	993,424	-	-	-
Evaporation and seepage	1,080,799	1,082,015	1,076,840	988,258
Third party	0	-	-	-
Managed aquifer recharge in areas with high or extreme water stress	0	-	-	-
Surface water discharge in areas with high or extremely high water stress	0	-	-	-
Water use and reuse (kL)				
Ore processing facilities	36,460,953	35,328,610	33,470,287	31,820,491
Potable camp supply	1,982,624	1,329,003	817,728	1,124,400
Dust suppression and construction	15,503,311	8,800,450	8,789,361	7,036,979
TSF decant return water	3,610,011	1,095,368	-	-
Waste				
Total waste (tonnes)	26,710	27,589	25,259	13,513
Material recycled (%)	87	89	91	86
Material landfilled (%)	13	11	9	14
Tailings				
Total tailings (dry metric tonnes)	26,818,651	25,766,916	22,566,064	21,375,094
Economic contribution				
Taxes paid (A\$ million)	FY21	FY20	FY19	FY18
Company taxes	5,805	2,922	1,669	381
Royalties	2,075	1,285	823	529
Foreign	20	14	13	12
Salaries and benefits (A\$ million)				
Total salaries	1,211	1,074	768	694
Total superannuation	125	104	80	71
Amount of housing support	17	15	11	11

Glossary

Aboriginal

Those who identify themselves as Australian Aboriginal and/or Torres Strait Islander.

Aboriginal employment rate

The number of permanent, fixed term (full-time and part-time), and labour hire Aboriginal and Torres Strait Islander 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 2021.

Aboriginal employees in trade roles

The number of permanent, fixed term (full-time and part-time), and labour hire Aboriginal and Torres Strait Islander employees in roles defined internally as apprentice, trades, trades specialist or track maintenance, who work in Australia, as a percentage of the total number of permanent and fixed term (full-time and part-time) employees in roles defined internally as apprentice, trades, trades specialist or track maintenance. Calculated using data as at 30 June 2021.

Aboriginal 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.

Aboriginal people employed

Total number of permanent, fixed term (full-time and part-time), and labour hire Aboriginal and Torres Strait Islander employees as at 30 June 2021.

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 FY21.

AMMA

Australian Resources and Energy Group.

ASX

Australian Securities Exchange.

ASX Corporate Governance Principles and Recommendations (4th Edition)

Principles and recommendations developed and released by the ASX Corporate Governance Council on the corporate governance practices to be adopted by ASX listed entities and which are designed to promote investor confidence and to assist listed entities to meet shareholder expectations.

Board membership

Members of Fortescue's Board of Directors, who are elected in accordance with Fortescue's Constitution and the *Corporations Act 2001* (Cth).

bt

Billion tonnes.

Chichester Hub

Fortescue's mining hub with two operating iron ore mines, Cloudbreak and Christmas Creek, located in the Pilbara, approximately 250 kilometres 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.

Corporations Act

Corporations Act 2001 of the Commonwealth of Australia.

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.

EBITDA

EBITDA is defined as earnings before interest, tax, depreciation and amortisation, exploration, development and other expenses.

EBITDA margin

EBITDA/Operating sales revenue.

Employee contributions

Financial contributions donated by Fortescue employees.

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 FY21.

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 FY21.

Fe

The chemical symbol for iron.

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 2021.

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's Australian and international sites, 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 2021.

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's Australian and international sites, 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 2021.

FFI

Fortescue Future Industries Pty Ltd.

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.

FY

Financial Year.

GJ

Gigajoules.

GL

Gigalitre.

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.

Ha

Hectares.

Health and safety training hours

Total training hours for health and safety recorded during FY21 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.

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.

Indigenous Land Use Agreement (ILUA)

Statutory agreement between a Native Title Group and others about the use of land and waters.

IUCN

International Union for Conservation of Nature.

kL

Kilolitre.

Land archaeologically surveyed in FY21

The area of land archaeologically surveyed across Fortescue's Western Australian tenement portfolio in FY21, measured in hectares. Surveys are undertaken by traditional land owners and a cultural heritage professional.

Land ethnographically surveyed in FY21

The area of land ethnographically surveyed across Fortescue's Western Australian tenement portfolio during FY21, measured in hectares. The survey is undertaken by traditional land owners and a cultural heritage professional.

Labour hire employees

Contractors backfilling permanent Fortescue roles and employed through selected recurring external labour hire agencies.

Leadership roles held by Aboriginal people

The number of permanent and fixed term (full-time and part-time) Aboriginal and Torres Strait Islander 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 2021.

Local supplier

Suppliers whose head office is located in the Pilbara region of Western Australia as defined by postcode. In cases where the work is performed in the Pilbara but the supplier's head office is located outside the Pilbara, an analysis is undertaken to determine the percentage of spend attributed to the Pilbara.

m³

Cubic metres.

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.

NTP

Native Title Partners. This refers to the Western Australian Native Title Groups and Native Title Holders with whom Fortescue has a relationship. These relationships allow the Company to undertake consultation for exploration and operations purposes. For some Native Title Partners, this relationship is established through an Indigenous Land Use Agreement, Land Access Agreement or Heritage Agreements.

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 FY21. 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 2021. 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 2021.

OPF

Ore Processing Facility.

Parental leave

The number of permanent (full-time and part-time) employees accessing paid and unpaid primary or secondary leave in Australia during FY21.

Pilbara

The Pilbara region in the north-west of Western Australia.

Scope 1

Emissions from operations owned and controlled by Fortescue within Australia. These include emissions from our mining haul fleet and the power stations operated by us.

Scope 2

Indirect emissions generated from electricity purchased by Fortescue within Australia.

Scope 3

Indirect emissions within Fortescue's value chain (excluding Scope 2), including upstream and downstream emissions.

Senior Executive

Leadership position where the employee has the title of Director or Group/General Manager.

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 off-site environmental impact causing significant environmental harm.

SIFR

Significant injury frequency rate per million hours worked. Excludes FFI.

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 Indigenous people. Contributions include financial (donations, grants, employee contributions, matched giving, partnerships, Pilbara training programs, north-west charter flights and support of Pilbara residential FIFO employees), in-kind contributions (volunteering, use of company equipment 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.

Training hours

Total training hours recorded during FY21 for permanent and fixed term (full-time and part-time) employees across all of Fortescue's Australian 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 Australian sites during FY21. 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 NOx emissions

The total oxides of nitrogen emissions across Fortescue's Pilbara operations, including port and rail, in FY21, measured in metric tonnes. Emissions are measured in accordance with the reporting requirements of *National Environment Protection (National Pollutant Inventory) Measure 1998*.

Total SOx emissions

The total sulphur dioxide emissions across Fortescue's Pilbara operations, including port and rail, in FY21, measured in metric tonnes. Emissions are measured in accordance with the reporting requirements of *National Environment Protection (National Pollutant Inventory) Measure 1998*.

Total land archaeologically surveyed

The cumulative area of land archaeologically surveyed across Fortescue's Western Australian tenement portfolio to the end of FY21, 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 Pilbara operations, including port and rail, in 2020 (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 FY21, 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 Pilbara operations, including port and rail, in 2020 (calendar year), measured in hectares. The land area rehabilitated is measured in accordance with reporting requirements under the *Mining Act 1978*.

Total particulate emissions

The total particulate matter (PM₁₀) emissions across Fortescue's Pilbara operations, including port and rail, in FY21, measured in metric tonnes. PM₁₀ are very small particles found in dust and smoke. They have a diameter of 10 micrometres (0.01mm) or smaller.

Total waste

The volume of waste generated at Fortescue's Pilbara operational sites, including port and rail, in FY21, measured in metric tonnes, including mineralised and non-mineralised waste.

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 FY21. 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 FY21. Excludes payments to labour hire and contractors.

TRIFR

Total recordable injury frequency rate per million hours worked, comprising lost time injuries, restricted work and medical treatments. Excludes FFI.

TSF decant return water

Volume of water recovered from tailings storage facilities and made available for reuse.

UNGC

United Nations Global Compact, which provides a leadership platform for businesses that are committed to aligning their strategies and operations with ten universally accepted principles in human rights, labour, environment and anti-corruption.

VTEC

Vocational Training and Employment Centre.

Water returns to the environment

Total water returns across all of Fortescue's Pilbara operational sites in FY21. Includes water returned through managed aquifer recharge, surface water discharge, supplementation, infiltration, evaporation and seepage.

Water withdrawn by source

Total water withdrawn from across all of Fortescue's Pilbara operational sites in FY21. Includes water withdrawn from the following sources: groundwater, surface water, seawater, municipal water supplies and third party.

Water use and reuse

Total water used and reused across all of Fortescue's Pilbara operational sites in FY21. Includes water use through ore processing facilities, potable camp supply and dust suppression and construction and TSF decant return water.

Whistleblower cases

The total number of whistleblower cases reported through the Whistleblower Hotline in FY21.

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.

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Securities Exchange listings

Fortescue Metals Group Limited
shares are listed on the Australian
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ASX Code: FMG

Fortescue Share Registry

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