



**Corporate Social
Responsibility Report**
2017

Together we are Fortescue

ABN 57 002 594 872

The year at a glance

**TOTAL RECORDABLE INJURY
FREQUENCY RATE FOR FY17**

2.9

FY16 - 4.3

ABORIGINAL WORKFORCE

15.8%

FY16 - 14%

**CONTRACTS AWARDED TO ABORIGINAL
COMPANIES AND JVs**

A\$1.95^{BILLION}

FY16 - A\$1.8 BILLION

FIRST ALL-FEMALE CLASS OF

**FORTESCUE
VTEC**

GRADUATES

**FEMALE BOARD MEMBER
REPRESENTATION**

55.6%

AT 30 JUNE 2017

**GREENHOUSE GAS EMISSIONS
INTENSITY REDUCED BY**

8%

FROM FY15

**EMPLOYEES RETURNED FROM
PARENTAL LEAVE**

96%

PREVIOUS 12 MONTHS: 85%

**TOTAL PROCUREMENT SPEND
IN AUSTRALIA**

98.5%

FY16 - 98.49%

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About this Report

Together we are Fortescue

Integrity is a fundamental Fortescue value and the Company works hard to maintain open and transparent relationships with its stakeholders. This report addresses the key material issues and opportunities relating to Fortescue during the financial year 1 July 2016 to 30 June 2017 (FY17).

Fortescue Metals Group Ltd (Fortescue) is a signatory to the United Nations Global Compact (UNGC) and this report represents the Company's ongoing commitment to reporting progress towards the principles of the UNGC. The content is also informed by the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines which are also referenced in the ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, 3rd Edition. This report has been prepared in accordance with the GRI Standards: Core option. A copy of the GRI Content Index with links to relevant sections of the document is provided in the Navigation Index on pages 101 to 105.

The report also takes into account:

- Issues identified through Fortescue's Risk Management Framework
- Fortescue's commitments and policies which guide its Corporate Social Responsibility (CSR) approach
- Guidance provided by key bodies including International Council on Mining and Metals (ICMM)
- Community interests based on existing stakeholder engagement programs
- Key matters within the industry.

Fortescue's Board of Directors approved this report for publication on 21 August 2017.

A summary of Fortescue's operations and financial statements for 1 July 2016 to 30 June 2017 are reported separately in the 2017 Annual Report available at www.fmgl.com.au

All references to Fortescue, the Group, the Company, refer to Fortescue Metals Group Limited (ABN 57002594 872) and its subsidiaries. All references to a year, are the financial year ended 30 June 2017 unless otherwise stated.

Assurance

Fortescue supports the intent of the ASX Corporate Governance Council Principles and Recommendations 3rd Edition (Principles and Recommendations) and meets specific requirements unless disclosed otherwise. The overall approach to audit and assurance is outlined in the 2017 Fortescue Corporate Governance Statement, which is available at www.fmgl.com.au

All data on Greenhouse Gas emissions, total energy consumption and total energy production contained in this report was subject to independent assurance by auditors, PricewaterhouseCoopers, in accordance with the National Greenhouse and Energy Reporting (Audit) Determination 2009 and ASAE 3410: Assurance Engagement on Greenhouse Gas Statement, and the Australian Standard on Assurance Engagement.

Other than that stated, no additional external assurance has been sought regarding the content of this report.

Feedback

Fortescue appreciates any feedback which will help the Company improve future reporting and communication with stakeholders.

Please forward any feedback or requests for additional information to CSR@fmgl.com.au

A survey requesting specific feedback on this report is also available at www.fmgl.com.au

Front and back cover design: 'Desert, Waves and Beyond' by Jilalga Murray

Jilalga was commissioned by Fortescue to create a piece of art that captured its unique story. The bold elements encapsulate and celebrate the steadfast history of the Company. Throughout the image a story is told about strong business relationships, great friendships, and camaraderie within the Company.

The artwork is contemporary, bright and stylised and shows Fortescue as a new, successful force in the industry. Visually it portrays a belief that together with heart, spirit and a deep respect for the Traditional Owners and their country on which Fortescue operates, everyone benefits. Together they make the future brighter for all.

OVERVIEW



FY17 Update



Chief Executive Officer's message

Nev Power



CSR is embedded in the values shared by our business and our communities: it is about our ability to empower individuals within our company and within our communities to be their best; to find innovative solutions to the most complex business and societal challenges; and to find ways to ensure our business success benefits the communities in which we operate.

Safety improvement

↑ 33%

Total Recordable Injury Frequency Rate

15.8%
Aboriginal
employment

Over
A\$2bn
in taxes paid

A\$1.95 billion

in contracts to Aboriginal businesses and joint ventures

17.3%
female employment

Our commitment

By first and foremost building a strong business, we can create economic opportunities and contribute to thriving local communities. By working together we can shape and understand each other's expectations and solve problems in a sustainable manner.

We are a Company that has never shied away from the big issues and continue to evolve best practice Aboriginal training, employment and development programs to create opportunities for Aboriginal people and ensure a sustainable Pilbara workforce.

To spark a generation of Aboriginal entrepreneurs, we have awarded nearly A\$2 billion in contracts to Aboriginal businesses and joint ventures.

We have taken a long view on the role clean Australian natural gas can play in reducing Greenhouse Gas emissions, while supplying reliable and low cost baseload power for our operations. Through our groundwater management expertise, we operate sustainably near important wetlands and areas of high biodiversity.

And we have played a leading role in eradicating modern slavery from our global supply chain, while also maintaining 30-day payment terms for suppliers and introducing 14-day payment for Aboriginal and small Pilbara businesses.

We remain a signatory to the United Nations Global Compact (UNGC) and continue to be committed to the UNGC initiative and principles.

Some of the highlights of this year's CSR Report include:

Safety

The safety of our people is our highest priority and we strive to be the global leader in safety. Our focus is to provide strong leadership and to empower each person to take the action required to ensure the safety of their workmates and themselves. This simple ethos creates a safety network in every workplace. Profitability means nothing if our people don't go home safely every day.

I'm proud to report that during FY17 we reduced our Total Recordable Injury Frequency Rate (TRIFR) by 33 per cent to 2.9. Over the past five years our TRIFR has reduced by 68 per cent.

Building stronger communities

Our commitment is to ensure that the growth and development of our operations provide economic opportunity to local communities through the delivery of training, employment and business opportunities. Aboriginal people now make up 15.8 per cent our workforce, positioning Fortescue as an industry leader in the mining sector. We have set ourselves an ambitious stretch target of 20 per cent Aboriginal employment by 2020.

Our Billion Opportunities program continues to create opportunities for Aboriginal businesses. Since 2011 we have awarded contracts and new works to the value of A\$1.95 billion with 104 Aboriginal-owned businesses and joint ventures and have set ourselves a target to spend over 10 per cent of our procurement budget with Aboriginal businesses by 2021.



Diversity

To be the best Company we can be, we need the very best ideas across every part of our business. The best ideas come from a diverse workforce: teams with a broad range of backgrounds, skills, experience and personalities.

We've achieved some great diversity results this year. Our female employment reached 17.3 per cent, increasing from 16.1 per cent and 25 per cent of management positions are now held by women. During FY17, Fortescue became the first ASX20 Company to have a Board with a majority of female members.

Climate Change

Climate Change is a global challenge and we will continue to monitor and actively manage the associated risks and opportunities. We are working to ensure the resilience of our operations, company assets, employees and the communities in which we operate.

Taxation transparency

We are proud of our contribution to Australia's economic strength and take our responsibility to pay our taxes seriously. We are committed to being open and transparent about the taxes we pay and this year adopted the Australian Board of Taxation's Voluntary Tax Transparency Code.

In FY17 we paid over A\$2 billion in company, royalties and employment related taxes.

Our people

We would not be where we are today if not for the hard work, dedication and 'never, ever give up' attitude of our people. We pride ourselves on our unique culture and work hard to maintain and strengthen it through our leaders.

We are all extremely proud of our Fortescue family and take this opportunity to thank each and every one of our team for their contribution on our journey to be the world's safest, lowest cost, most profitable iron ore producer.

"We are proud of our contribution to Australia's economic strength and take our responsibility to pay our taxes seriously."

About Fortescue

Fortescue Metals Group is a global leader in the iron ore industry, recognised for its unique culture, innovation and industry-leading development of world class infrastructure and mining assets in the Pilbara, Western Australia.

Since it was founded in 2003, Fortescue has discovered and developed major iron ore deposits and constructed some of the most significant mines in the world. The Fortescue team is focussed on achieving the Company's vision to be the safest, lowest cost, most profitable iron ore producer.

Now producing 170 million tonnes of iron ore per annum, Fortescue has grown to be one of the largest, global iron ore producers and has been recognised as the lowest cost seaborne provider of iron ore into China based on Metalytics Resources Sector Economics analysis.

Fortescue's head office is located in Perth, Western Australia. Fortescue owns and operates integrated operations spanning three mine sites in the Pilbara, the fastest, heavy haul railway in the world and the five berth Herb Elliott Port in Port Hedland.

A natural extension of Fortescue's supply chain, the fleet of eight Fortescue Ore Carriers were designed to complement the industry leading efficiency of Fortescue's port.

Innovation in process and design is a key component of Fortescue's strategy to efficiently and effectively deliver products from mine to market.

Fortescue's longstanding relationships with its customers have grown from the first commercial shipment of iron ore in 2008 to the Company becoming a major iron ore supplier to China, and expanding into Japan, South Korea and India.

As the Company's primary customers, steel mills in China trust Fortescue to deliver safe, reliable and consistent quality products.

Fortescue is committed to ensuring communities benefit from the growth and development of its business.

As a proud West Australian company, Fortescue seeks to set high standards, create positive social change and safeguard the environment and heritage of the regions in which it operates in.

A publicly listed company, Fortescue Metals Group Limited shares are listed on the Australian Securities Exchange (ASX) ASX Code: FMG.



FORTESCUE'S VISION

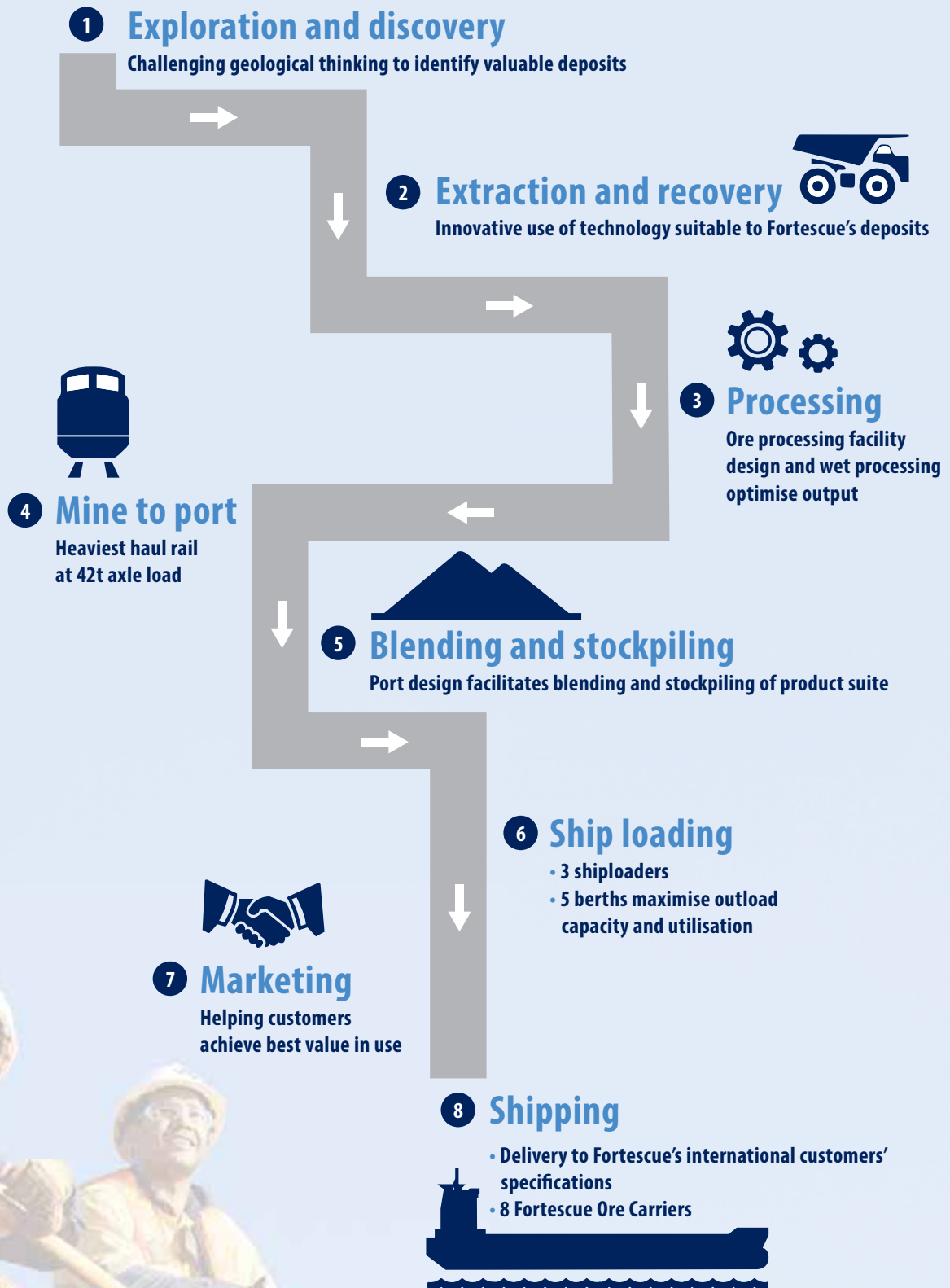
To be the safest, lowest cost, most profitable iron ore producer.

FORTESCUE'S VALUES

Safety | Family | Integrity | Determination | Generating ideas | Empowerment | Frugality | Stretch targets | Enthusiasm | Humility

Value chain

Innovation in process and design has been a key component of Fortescue's strategy in challenging industry standards to more efficiently and effectively deliver its product suite from mine to market



The Board

Overview



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 over the Company's affairs.

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. 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.

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, experience, gender and age.

All new Board members benefit from a comprehensive induction process that supports their understanding of Fortescue's business. There is also a range of support given to Board members which enables them to stay strongly connected to the Company and its culture. 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 operational locations
- Biannual visits to China to meet with key customers and strengthen their understanding of the Company's key markets
- Regular formal and informal opportunities for the directors to meet with management and staff.

The directors also undertake an annual competency self-assessment to evaluate whether the Board, as a whole, maintains an appropriate mix of skills and experience to effectively fulfil its role. Opportunities for improvement are incorporated into director training and consideration for new director appointments.

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 Nomination Committee, the Audit and Risk Management 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, 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 that embodies these values. There is a formal process to identify, disclose and manage potential conflicts of interest, should they arise. In this regard, the roles of Vice Chair and the Lead Independent Director are a cornerstone that ensures the interests of all shareholders are protected equally.

The Board and each of its three primary Committees have established a process to evaluate their performance annually. The process is based on a formal questionnaire and interview conducted by an independent consultant and supported by the Company Secretary. The most recent review was undertaken by Ernst & Young in February 2017. The results and recommendations are reported to the full Board for further consideration and agreement of improvement actions, where required.

At the date of this report, the Board has seven non-executive directors and two executive directors being Chief Executive Officer (CEO), Mr Nev Power, and Chief Financial Officer (CFO), Ms Elizabeth Gaines. Ms Gaines' executive appointment followed subsequent to her appointment as the CFO on 6 February 2017.

Previously, Mr Stephen Pearce acted as an executive director prior to his resignation on 23 September 2016. 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 into the business. The Board has maintained a consistent complement of two executive directors in recent years.

The Board



The Board is responsible to the shareholders for the performance of the Company. Its focus is to enhance and protect the interests of shareholders and other key stakeholders and to ensure that the Company is properly managed.

L-R Non-Executive Director Jennifer Morris, Chief Financial Officer and Executive Director Elizabeth Gaines, Chief Executive Officer and Managing Director Nev Power, Non-Executive Director Sharon Warburton, Chairman Andrew Forrest AO, Non-Executive Director Jean Baderschneider, Lead Independent Director Mark Barnaba AM, Non-Executive Director Penny Bingham-Hall, Non-Executive Director Cao Huiquan

Andrew Forrest AO Chairman

Appointed Chairman in July 2003.
Chief Executive Officer in 2005 to July 2011.

Mr Forrest is Fortescue's Founder and is also the Founder and Chairman of the Minderoo Foundation, Australia's largest philanthropic organisation which operates GenerationOne, The Australian Employment Covenant and Walk Free.

In 2013, Mr Forrest was appointed by the Prime Minister to Chair the Indigenous Jobs and Training Review. He was named Western Australia's nominee as Australian of the Year in 2016 and West Australian of the Year in 2017 in recognition of his outstanding contribution to the community.

Mr Forrest also founded, developed and funded the Murrin Murrin nickel and cobalt operation, one of the largest producers of nickel and cobalt in the world. Murrin Murrin is considered by experts to be the most successful, and lowest capital and operating cost operations of all the new wave of laterite nickel producers.

A leading representative and advocate for the resources sector globally, Mr Forrest is an Adjunct Professor of the China Southern University and is a Fellow of the Australian Institute of Mining and Metallurgy.

Committee membership: Remuneration and Nomination Committee (Member), Finance Committee (Member) as at 30 June 2017. Finance Committee (Chair) as at 19 July 2017.

Mark Barnaba AM Lead Independent Director

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

Effective 1 September 2017, Mr Barnaba is a member of the Board of the Reserve Bank of Australia. He is also Chairman of the State Theatre Company of Western Australia, and is an Adjunct Professor of Finance and Investment Banking at the University of Western Australia.

He is co-founder of Azure Capital and has previously served as Chairman of Western Power Corporation, The West Coast Eagles AFL Club and Alinta Infrastructure Holdings. In 2011, he was appointed by the Premier to chair the WA Steering Committee of the Commonwealth Business Forum for CHOGM. Previously, Mr Barnaba worked for McKinsey and Company and also recently held several senior executive roles at Macquarie Group, where until 31 August 2017, Mr Barnaba served as Chairman of Global Head of Natural Resources for Macquarie Capital.

Mr Barnaba holds a Bachelor of Commerce (Honours) from the University of Western Australia and a Master of Business Administration with High Distinction from Harvard Business School. He is a Fellow of the Australian Institute of Company Directors.

Committee memberships: Audit and Risk Management Committee (Chair) and Remuneration and Nomination Committee (Member).

The Board

Nev Power

Chief Executive Officer and Managing Director

Chief Executive Officer since July 2011; Managing Director since September 2011.

Mr Power has more than 30 years' experience in the mining, steel and construction industries and a proven track record in the delivery of major infrastructure projects, mining and steel manufacturing and distribution.

Prior to joining Fortescue, Mr Power held Chief Executive positions at Thies and Smorgon Steel Group. As Fortescue's Chief Executive Officer, Mr Power has led the Company's strong, values based culture, commitment to safety excellence, to improving diversity and to the Billion Opportunities program which has awarded close to A\$2 billion in contracts to Aboriginal businesses. Mr Power also has a long history in agribusiness and aviation holding both fixed wing and helicopter commercial pilot licenses. Mr Power is a passionate advocate for the development of northern Australia and for its communities to reach their full potential.

He is a Fellow of both Engineers Australia and the AusIMM and a member of the Australian Institute of Company Directors and the International Advisory Board for Lingnan (University) College, Sun Yat-sen University. Mr Power is a INSEAD graduate, and holds a Bachelor of Engineering and a Master of Business Administration.

Elizabeth Gaines

Chief Financial Officer and Executive Director

Chief Financial Officer and Executive Director since February 2017; Former Non-Executive Director since February 2013.

Ms Gaines is a highly experienced Chief Financial Officer with extensive international experience in all aspects of financial, treasury and commercial management. Ms Gaines has held Chief Financial Officer roles in Australia and the UK in a number of sectors including construction and infrastructure, agribusiness and travel and hospitality. Ms Gaines is highly experienced in global debt and capital markets.

Ms Gaines is the former Chief Executive Officer of Helloworld Limited and Heytesbury Pty Limited and has also held the position of Chief Financial Officer at the Stella Group and Entertainment Rights Plc.

A member of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and Chief Executive Women, Ms Gaines holds a Bachelor of Commerce degree and Master of Applied Finance degree.

Former directorships in the last three years (ASX Listed Entities): NEXTDC Limited (Non-Executive Director), Mantra Group Limited (Non-Executive Director), Nine Entertainment Co. Holdings Limited (Non-Executive Director), ImpediMed Limited (Non-Executive Director), Helloworld Limited (Executive Director).

Jean Baderschneider

Non-Executive Director

Non-Executive Director since January 2015.

Dr Baderschneider retired from ExxonMobil in 2013 following a 30-year career where she had responsibility for operations around the world and served as Vice-President of Global Procurement. She has deep experience with high-risk operations/locations and complex partnerships.

Dr Baderschneider is a past member of the Board of Directors of the Institute for Supply Management. She served on the Executive Board of The Center for Advanced Purchasing Studies (CAPS) and the Procurement Council of both The Conference Board and Corporate Executive Board. She also served on the Executive Board of the National Minority Supplier Development Council and was the Presidential appointee to the US Department of Commerce's National Advisory Council of Minority Business Enterprises.

Penny Bingham-Hall

Non-Executive Director

Non-Executive Director since November 2016.

Ms Bingham-Hall brings significant operational skills and experience from executive roles including Head of Strategy at Leighton Holdings (now CIMIC) – Australia's largest construction, contract mining, infrastructure and property development group – together with 20 years' experience as a company director.

Ms Bingham-Hall is a Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Securities Institute of Australasia and a member of Chief Executive Women and WomenCorporateDirectors Foundation. She holds a Bachelor of Arts (Industrial Design).

Other current directorships (ASX listed entities):

BlueScope Steel Limited (Non-Executive Director), DEXUS Property Group (Non-Executive Director).

Committee Membership: Finance Committee (Member), Audit and Risk Management Committee (Member).

Cao Huiquan

Non-Executive Director

Non-Executive Director since February 2012 (nominated director from Hunan Valin Iron and Steel Group Company Ltd).

Mr Cao is currently the Chairman of Hunan Valin Iron and Steel Group Co Ltd and Chairman and Chief Executive Officer of Hunan Valin Steel Co Ltd.

He joined Hunan Xiangtan Iron & Steel Co Ltd in 1991 and was appointed General Manager in 2003. In 2005, he was appointed Chief Executive Officer of Hunan Valin Steel Co Ltd and concurrently held the position of General Manager of Lianyuan Iron and Steel Group Co Ltd.

The Board

Jennifer Morris

Non-Executive Director

Non-Executive Director since November 2016.

Ms Morris is a former partner in the Consulting Division of Deloitte, where she specialised in complex large-scale business transformation programs, and strategy development. She also has extensive applied expertise in leadership and a demonstrated understanding of how to design and deliver a performance culture and high performing teams to deliver sustained and thriving performance at the elite level.

She currently serves as Chief Executive Officer of the Walk Free Foundation and is a Commissioner of the Board of the Australian Sports Commission.

Ms Morris is a Fellow of Leadership WA, a member of the Australian Institute of Company Directors, an affiliate member of Chartered Accountants Australia and New Zealand and dual Olympic gold medallist. She holds a Bachelor of Arts (Psychology and Journalism) and completed the Finance for Executives at INSEAD.

Committee Membership: Remuneration and Nomination Committee (Member), Audit and Risk Management Committee (Member).

Sharon Warburton

Non-Executive Director

Non-Executive Director since November 2013 and appointed Vice Chair as at 19 July 2017.

Ms Warburton has extensive experience in the mining, infrastructure and construction sectors. She gained substantial operational, commercial and risk management experience in the global resources sector through her time as an executive at Rio Tinto. She has also previously held senior executive positions at Brookfield Multiplex, ALDAR Properties PJSC, Multiplex and Citigroup.

In 2016, she was appointed Chairman of the Northern Australia Infrastructure Facility and currently serves as a Director at Western Power and the Perth Children's Hospital Foundation.

Ms Warburton is a Fellow of the Institute of Chartered Accountants Australia and New Zealand, a graduate of the Australian Institute of Company Directors, a Fellow of Australian Institute of Building and a member of Chief Executive Women.

Other current directorships (ASX listed entities): Gold Road Resources Limited (Non-Executive Director), NEXTDC Limited (Non-Executive Director).

Former directorships in the last three years (ASX Listed Entities): Wellard Limited.

Committee membership: Remuneration and Nomination Committee (Chair) and Finance Committee (Chair) as at 30 June 2017.

Remuneration and Nomination Committee (Chair), Audit and Risk Management Committee (Member), Finance Committee (Member) and Vice Chair as at 19 July 2017.

Owen Hegarty

Vice Chair

Mr Hegarty was appointed Vice Chair in November 2014 having served as a Non-Executive Director since October 2008.

Mr Hegarty has 40 years' experience in the global mining industry, including 25 years with the Rio Tinto group.

Mr Hegarty retired from Fortescue's Board in December 2016.

Stephen Pearce

Chief Financial Officer and Executive Director

Mr Pearce was appointed as an Executive Director in June 2016, after joining Fortescue in March 2010. Mr Pearce has more than 20 years' experience in senior management roles in the mining, oil and gas and utilities industries.

Mr Pearce resigned from Fortescue's Board in September 2016 and resigned from his position as Chief Financial Officer in December 2016.

Geoff Raby

Non-Executive Director

Mr Raby was appointed as a Non-Executive Director in August 2011. He formerly served as Australia's Ambassador to the People's Republic of China between 2007 and 2011.

Mr Raby retired from Fortescue's Board in December 2016 and continues to work with Fortescue in a consultant capacity, assisting with China relations.

Alison Terry

Company Secretary

Ms Terry was appointed Company Secretary in February 2017, after joining Fortescue in 2013 as Group Manager Corporate Affairs.

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.

She holds a Bachelor of Economics and Bachelor of Laws (Honours) and a Graduate Diploma of Business (Accounting).

Ian Wells

Company Secretary

Mr Wells was appointed as Company Secretary in February 2015, after joining Fortescue in 2010 as Group Manager, Treasury and Business Planning.

With more than 20 years' experience in senior finance and management roles in the mining, energy infrastructure and healthcare industries, Mr Wells was previously Chief Financial Officer at Singapore Power subsidiary Jemena Limited and holds a Bachelor of Business in Accounting and is a graduate of the Australian Institute of Company Directors.

Executive team

Fortescue's leadership



Fortescue's executive team is accountable for the safety of its people, upholding the Company's values, acting with integrity and honesty, and leading the business to achieve its vision of becoming the safest, lowest cost, most profitable iron ore producer in the world.

L-R: Director Business Development Tony Swiericzuk, Director Operations Greg Lilleyman, Chief Financial Officer Elizabeth Gaines, Director External Relations Tim Langmead, Group Manager Fortescue People Linda O'Farrell, Chief Executive Officer Nev Power, Company Secretary and Group Manager Corporate Affairs Alison Terry, Director Corporate Services and Chief General Counsel Peter Huston, Director Sales and Marketing David Liu, Group Manager Health and Safety Robert Watson

Nev Power **Chief Executive Officer**

Mr Power was appointed Chief Executive Officer in July 2011 and has more than 30 years' experience in the mining, steel and construction industries. Before joining Fortescue, he held Chief Executive positions at Thiess and the Smorgon Steel Group.

Please refer to the Board of Director's section on page 11 for more details on Mr Power's experience.

Elizabeth Gaines **Chief Financial Officer**

Ms Gaines assumed the role of Chief Financial Officer in February 2017. A highly experienced Chief Financial Officer and regarded as a financial and governance expert, Ms Gaines brings significant global, commercial and operational experience from a range of industry sectors to complement Fortescue's highly capable finance team.

Please refer to the Board of Director's section on page 11 for more details on Ms Gaines' experience.

Greg Lilleyman **Director Operations**

Mr Lilleyman joined Fortescue in January 2017. With over 28 years' experience in the mining sector, he brings a wealth of industry knowledge with a personal style and approach strongly aligned with Fortescue's values and culture.

His extensive experience in leading safety and operational excellence combined with his thorough knowledge and passion for technology and innovation provides for further development of Fortescue's strong operational and cost performance.

Executive team

Peter Huston

Director Corporate Services and Chief General Counsel

Mr Huston brought over 20 years' experience in legal and corporate advisory roles when he joined Fortescue as Chief General Counsel in January 2005. Mr Huston joined the executive team in January 2009.

Prior to joining Fortescue, Mr Huston spent 12 years as a partner of the law firm now known as Norton Rose and 10 years in private equity, mergers and acquisitions.

Tim Langmead

Director External Relations

Mr Langmead was appointed Director External Relations in January 2014, after joining Fortescue as Group Manager Corporate Affairs in January 2013.

Previously, Mr Langmead held senior corporate affairs roles in the Australian business units of global oil and gas companies. Mr Langmead served in senior staff roles for Ministers in the Howard-Anderson and Howard-Vaile governments and commenced his career as an agribusiness journalist.

David Liu

Director Sales and Marketing

Mr Liu joined Fortescue in 2003 and was appointed as Director Sales and Marketing in 2011 following the completion of his post-graduate studies at the University of Western Australia.

Having spent nearly 30 years in Perth, Mr Liu has strong experience in trade and investment projects between Australia and China. Mr Liu brings a deep understanding of Asian, particularly Chinese, culture and business practices to Fortescue's strategy of securing long-term partnerships with the major steel mills in Asia.

Linda O'Farrell

Group Manager 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 strong 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.

Tony Swiericzuk

Director Business Development

Mr Swiericzuk was appointed Director Business Development in April 2017.

Mr Swiericzuk started his career at Fortescue in 2009 as General Manager Port and later General Manager Christmas Creek, overseeing the ramp up of operations at both sites.

With more than 20 years of industry knowledge, Mr Swiericzuk's previous experience is diverse and includes material handling, rail, port, steelworks in Australia and Indonesia.

Mr Swiericzuk holds a Bachelor of Engineering degree (Honours in Mining and Mineral Engineering) and a Master of Business Administration.

Alison Terry

Company Secretary and Group Manager Corporate Affairs

Ms Terry was appointed Company Secretary in February 2017, after joining Fortescue in 2013 as Group Manager Corporate Affairs.

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 Bachelor of Economics and Bachelor of Laws (Honours) and a Graduate Diploma of Business (Accounting).

Rob Watson

Group Manager Health and Safety

Mr Watson was appointed Group Manager Health and Safety in 2014 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.

His career in health and safety spans over 25 years in a number of industries and commodities. Mr Watson holds a Masters in Occupational Health and Safety.

Nick Cernotta

Director Operations

Mr Cernotta was appointed as Director, Operations in March 2014 with more than 30 years experience in the mining industry, spanning various commodities and operations in Australia, Africa, South East and Central Asia, Saudi Arabia and Papua New Guinea.

Mr Cernotta resigned from Fortescue on 31 January 2017.

Peter Lynch

Director Business Development

It is with great sadness to report that Mr Peter Lynch, Fortescue's Business Development Director tragically died in an aircraft incident in Perth on January 26, 2017.

Mr Lynch joined Fortescue in June 2016 with over 28 years' of experience in the Australian and global mining sector including coal, copper, gold, lead, and zinc.

In his short time at Fortescue, Peter had already been integral in the development of Fortescue's exploration projects and was an impressive leader who loved to recognise his team for their efforts.

Fortescue would like to extend its deepest sympathies to the family, friends and colleagues of Peter once again; he is deeply missed by everyone at Fortescue.

Fortescue's Values



Safety

Look out for our mates
and ourselves



Empowerment

Take action and
encourage your team



Family

Care for your
work mates



Frugality

Use your brain not
your cheque book



Stretch targets

Deliver against
challenging targets



Integrity

Do what you say
you're going to do



Enthusiasm

Be positive, energetic



Courage and determination

Never, ever give up



Generating ideas

Always be on the
lookout for better ways



Humility

Show vulnerability
in leadership

Fortescue's Vision

The safest, lowest cost,
most profitable iron ore producer



Realising this Vision is at the heart of everything the Company does. Supporting this Vision are unique Values which drive the Company's performance in a way that sets Fortescue apart.

OPERATING AND FINANCIAL REVIEW



Overview



Operating and financial highlights

PRODUCTION

170.4_{MT}

C1 COSTS

US\$12.82_{/WMT}

REVENUE

US\$8.4_{BILLION}

CASH ON HAND

US\$1.8_{BILLION}

UNDERLYING EBITDA

US\$4.7_{BILLION}

DEBT REPAYMENTS

US\$2.7_{BILLION DEBT RETIRED}

NET PROFIT AFTER TAX

US\$2.1_{BILLION}

NET DEBT

US\$2.6_{BILLION}

Overview of operations



PRODUCTION CAPACITY
70-75 MTPA

Solomon Hub

The Solomon Hub in the Hamersley Ranges is located 60 kilometres (km) north of Tom Price and 120km to the west of Fortescue's Chichester Hub. It comprises the Firetail and Kings Valley mines which together have production capacity of 70 to 75 million tonnes per annum (mtpa).

Fortescue is committed to maximising the Pilbara's rich endowment of natural gas to its advantage. The Fortescue River Gas Pipeline operating at Solomon reduces the mine's diesel consumption and drives sustainable improvements in

Greenhouse Gas emissions and energy intensity. Operating on Yindjibarndi, Eastern Guruma, Ngarluma/ Yindjibarndi and Kariyarra land, Solomon is proud to support local Aboriginal businesses and in FY17, awarded A\$100 million in new works to Aboriginal owned businesses.

In FY17, 16 VTEC graduates from Fortescue's VTEC training centre in Roebourne started full time work at the Solomon Hub.

Chichester Hub

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

Fortescue's innovative Papa Waringka (Niyiyaparli language for water in the group) Managed Aquifer Recharge Program at the Chichester Hub represents one of the world's largest dewatering schemes in the world and is fundamental to the Company's commitment to protecting the adjacent Fortescue Marsh.

The Christmas Creek and Cloudbreak teams are proud of their strong relationships with the local Aboriginal people as Fortescue's Chichester operations covers Niyiyaparli, Palyku, Njamal and Marti Idja Banjima Native Title groups.

Throughout the year, having successfully completed training at Fortescue's Vocational Training and Employment (VTEC) in Port Hedland, 29 VTEC trainees began full time employment at Christmas Creek.



CHRISTMAS CREEK

CLOUDBREAK

Overview of operations



Port and Rail

Fortescue wholly owns and operates its purpose designed rail and port facilities, constructed to deliver iron ore from its mines to Port Hedland and on to its customers. Covering 620km of track, the railway is the fastest, heavy haul line in the world.

The port has five operating berths and is capable of exporting more than 170mtpa, making Fortescue's port the most efficient bulk port operation in Australia.

With its port operations built on Kariyarra land, Fortescue is a proud member of the Port Hedland community. Based in South Hedland, Fortescue's Community office is the heart of Fortescue's engagement as the team interacts with more than 700 Port Hedland residents every year.

**FIRETAIL
REPLACEMENT
PROJECT**
EXPECTED
DECISION FY18



Iron Ore projects

Firetail is an important component of the Fortescue Blend and the replacement strategy will ensure the Company maintains the integrity and quality of its product range. During FY17, Fortescue continued to study all options for the Firetail Replacement project with a decision between the Western Hub and Nyidinghu expected during FY18.

Iron Bridge, located 100km south of Port Hedland, is a joint venture between Fortescue, Taiwan's Formosa Group and China's Baosteel Resources Ltd, a subsidiary of China's Baowu Group, incorporating the world class NorthStar and Glacier Valley Magnetite ore bodies. Building on the development of a large scale pilot plant and successful testing of an innovative, low cost production process completed, future developments will deliver product via a pipeline to storage handling facilities in Port Hedland. This will be subject to market conditions and approvals by joint venture partners.

Exploration

Fortescue has the largest tenement portfolio in the Pilbara. Details of the Company's Reserves and Resources are summarised in the Ore Reserves and Mineral Resources Report on pages 29 to 42 of the 2017 Annual Report. Exploration activity in FY17 was primarily focussed on Fortescue's iron ore tenements to maintain mine life and sustain product quality in the Company's core iron ore business.

During the year Fortescue continued to undertake early stage, low cost exploration on copper-gold prospective tenements in South Australia and New South Wales and assessed high potential, early stage exploration tenements in highly prospective areas of Ecuador, where Fortescue was granted 32 exploration areas. This exploration is in line with Fortescue's strategy of focussing on its core iron ore business while creating low cost future optionality.

FORTESCUE'S APPROACH



Creating shared value



Fortescue's approach



Creating shared value

Since its formation in 2003, Fortescue has demonstrated a strong commitment to ensuring communities benefit from its growth and development. The Company recognises that in order to achieve its vision of being the safest, lowest cost, most profitable iron ore producer, Corporate Social Responsibility (CSR) must be embedded within all aspects of its business.

Empowerment is at the heart of Fortescue's approach to CSR – as is an absolute determination to practical outcomes. It is about Fortescue's ability to empower individuals within its company and communities to be their best; to find innovative solutions to the most complex business and societal challenges and to find ways to improve the business bottom line while delivering positive change.

CSR is Fortescue's commitment to behave ethically, to create value for the Company's stakeholders, to protect the environment and to empower and partner with communities to build capability and capacity.

Fortescue's commitment to delivering positive social change by contributing to ending disadvantage amongst Aboriginal

people in the Pilbara, promoting diversity in the workplace and addressing environmental challenges such as climate change are important elements of the Company's CSR strategy.

Compliance with all relevant legislation and obligations including those that govern health, safety and environmental obligations is the absolute minimum standard to which the Company adheres.

Fortescue's values form the foundation of the Company's approach to CSR. These values set the ethical and moral compass by which business is undertaken. Fortescue's Code of Conduct establishes the essential standards of personal and corporate conduct and behaviour. This strong base supports the Company's Commitments and Principles and leads into the development and implementation of Policies, Opportunities and Objectives, ultimately informing the application of specific business unit Targets, processes and plans.

Fortescue's commitment to CSR starts with the CEO and is supported by the Board and the executive team.

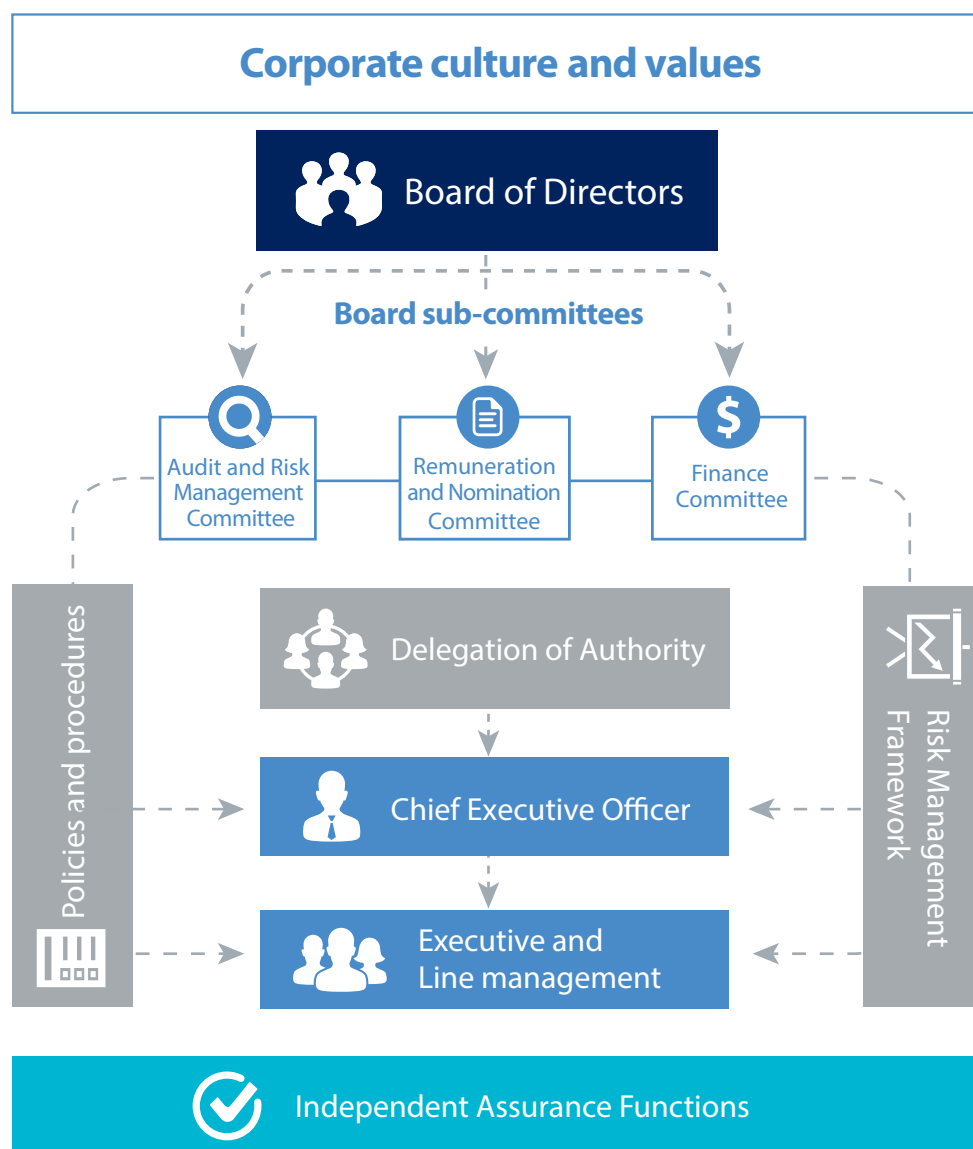


Fortescue's approach

Effective corporate governance is a critical element contributing to the longer term success of Fortescue. The Board and all levels of management are fully committed to maintaining and enhancing corporate governance so that it continues to contribute to Fortescue's vision to be the safest, lowest cost, most profitable iron ore producer.

Corporate governance

Fortescue supports the intent of the ASX Corporate Governance Council Principles and Recommendations 3rd Edition (Principles and Recommendations) and meets specific requirements unless disclosed otherwise.



Fortescue's full corporate governance statement including compliance disclosure to the ASX corporate governance Principles and Recommendations is available from www.fmgil.com.au

Benchmarking

For the first time in FY17, Fortescue participated in the Dow Jones Sustainability Indices assessment. Participation in this and other similar assessments, reporting against the Carbon Disclosure Project (CDP) and stakeholder feedback allows the Company to track performance against relevant standards and peers, within the mining industry. Fortescue also continues to use independent organisations (DEKRA in FY17) to benchmark its safety performance and culture annually against global norms.



CORPORATE SOCIAL RESPONSIBILITY

Setting high standards

By championing safety, preserving Aboriginal heritage, embracing diversity and demonstrating integrity

Creating positive social change

By building local communities, empowering Aboriginal people and eradicating modern slavery in Fortescue's supply chain

Safeguarding the environment

By protecting biodiversity, managing water resources, reducing Greenhouse Gas emissions and waste

CSR strategy

Through its updated CSR Strategy, Fortescue aims to further enhance the highly developed sustainability and community initiatives already in place. The document also outlines its commitments, objectives and targets in a central location. The strategy continues Fortescue's approach of setting stretch targets and holding itself and others to account to deliver tangible, durable results.

Updating the CSR strategy brought together expertise and experience from across the business. Following a thorough consultation and review process, the views of stakeholders have been used to form the basis of Company-wide objectives and relevant indicators.

The process included a review of existing CSR activities against international reporting standards, industry peers and consideration of known internal and external stakeholder interests and materiality. The strategy was also informed by the United Nations Global Impact and the International Council of Mining and Metals Principles.

Fortescue will maximise the resources and energy of its business to deliver positive outcomes in the three core areas highlighted above.

Fortescue's approach

Material issues

This report covers the key environmental, social and economic aspects to reflect the material issues of Fortescue's operations.

Issues are considered to be material if they have the potential to have a significant impact on Fortescue's operations, reputation or are of concern to stakeholders.

The process for determining the material issues of FY17 comprised of four key steps.



Research into material issues involved a review of the following:

- Fortescue's existing CSR initiatives
- Material issues identified by peers and sustainability leaders
- Corporate risk assessments and outcomes
- Existing company policies, standards and guidelines
- Outcomes of internal and external engagement
- Media and investor interest areas
- Government/regulator interest and feedback
- Feedback received from external stakeholders during working group meetings, through Fortescue's community office and other stakeholder engagement.

To identify material issues, a number of workshops and discussions were held, including the following:

- Workshops with subject leaders and key employees
- Focussed discussions with Fortescue leaders
- Executive team briefings and consultations
- Expert external advice.

Priorities were informed by internal and external engagement which included focussed workshops with Fortescue's leaders and consultation sessions offered to all employees. Materiality was validated by subject leaders and the executive team.

The following key material issues are reported against three core areas:



Setting high standards

- Employee health, safety and wellbeing
- Diversity
- Ethical conduct, bribery and corruption
- Protecting Aboriginal heritage



Creating positive social change

- Creating opportunities for Aboriginal people
- Building local communities
- Respecting human rights



Safeguarding the environment

- Protecting the environment including biodiversity, water and waste management
- Climate Change and emissions reduction

Boundaries are included within the narrative of this report.

Fortescue's approach

United Nations Sustainable Development Goals

On 25 September 2015, the United Nations adopted the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. The goals are a call for global action to end poverty, protect the planet and ensure that all people are able to enjoy peace and prosperity.

Fortescue's approach to sustainability is consistent with these goals. The table below demonstrates how the CSR strategy targets set against identified material issues, are working towards the SDGs.

Material issues, related targets and link to SDGs

Employee health, safety and wellbeing • Annually, achieve zero fatalities at Fortescue's operations • By 2020, reduce injuries to lowest TRIFR and severity quartile of resources industry • By the end of FY18, achieve top quartile safety excellence and cultural survey results • By the end of FY18, develop and implement a business-wide healthy lifestyle program • Annual decrease in positive alcohol and illicit drug test results.	SDGs   
Diversity • By 2020, achieve an employment rate of 25 per cent for women • By 2020, achieve an employment rate of 30 per cent for women in manager and above roles • Annually, support community led programs empowering women and ending discrimination.	SDGs   
Protecting Aboriginal heritage • Annually, ensure Fortescue has no impact to Aboriginal heritage without free, prior and informed consultation with Aboriginal people.	SDGs  
Ethical conduct, bribery and corruption • Annually, ensure ethical conduct is maintained by targeting leadership programs, training, performance assessments and remuneration • Annually, meet and exceed global anti-bribery and corruption standards including requirements in respect to US Foreign Corrupt Practices Act (FCPA) and UK Anti-Bribery Act.	SDGs     



Material issues, related targets and link to SDGs

Creating opportunities for Aboriginal people

- By 2021, achieve a spend of 10 per cent of total procurement with Aboriginal businesses, with 50 per cent of the number of contracts awarded to businesses with more than 50 per cent Aboriginal ownership
- By 2020, achieve an employment rate of 20 per cent for Aboriginal people across the business
- By 2020, achieve an employment rate of 10 per cent for Aboriginal people in leadership roles
- By 2022, achieve an employment rate of 20 per cent for Aboriginal people in skilled-trades
- Annual involvement in the policy debate to address Aboriginal disadvantage
- Annually, deliver at least two major community projects with Indigenous Land Use Agreement partners.

SDGs



Building local communities

- By the end of FY17, implement new payment terms for Pilbara based and small businesses - **achieved**
- Annually achieve at least five per cent of actual spend, with local Pilbara suppliers
- By the end of FY18, update the approach to local employment and Fortescue's residential workforce
- By the end of FY18, review and update the community investment strategy.

SDGs



Respecting human rights

- Annually, source 100 per cent of procurement through compliant suppliers
- By the end of FY18, complete an audit of high risk suppliers
- By mid FY19, complete a human rights assessment across the business
- Annual, active engagement on human rights issues in business.

SDGs



Fortescue's approach

Material issues, related targets and link to SDGs

Protecting the environment

(includes biodiversity water and waste management)

- Achieve a net positive impact on biodiversity
- Annual improvement in water use efficiency
- By the end of FY18, complete investigations into alternative water disposal options
- By FY21, complete and publish findings of a Pilbara-wide hydrogeological systems study
- By mid FY18, develop and communicate a whole of business closure standard
- By mid FY18, establish a closure steering committee to oversee closure planning and implementation
- By the end of FY18, develop a stakeholder engagement strategy on mine closure
- By mid FY18, develop a product lifecycle and waste disposal procurement policy (excluding large mining tyres known as OTRs)
- By the end of FY18 achieve >90 per cent recycling rate for total waste volumes
- By the end of FY20, identify a sustainable disposal method for OTRs and conveyor belt

SDGs



Climate change and emissions reduction

- By FY20, achieve a 25 per cent decrease in emissions intensity in electricity generation from FY15 levels
- By FY20, achieve a five per cent decrease in emissions intensity in energy consumption in the production process from FY17 levels.

SDGs



Report structure

As this is the first year Fortescue has produced a stand-alone CSR Annual Report, the structure of the report is based on the CSR strategy with performance reported against the objectives and targets of each material issue.

ENGAGING WITH STAKEHOLDERS



Working together



Engaging with stakeholders

Overview



Meaningful stakeholder engagement is at the heart of Fortescue's approach to building trust and understanding within the communities in which the Company operates.

Fortescue's Stakeholder Engagement Framework encourages open, transparent and inclusive communication, allowing new relationships to be developed and existing ones to grow. The framework outlines the principles that should be applied to all engagement, how to develop specific plans to ensure a tailored approach and the process to identify, assess and prioritise stakeholders.

The Company identifies stakeholders based on the level of interest, potential impacts and opportunities of Fortescue's activities, prioritising those who may be directly impacted. Feedback mechanisms and a monitoring and evaluation process are adopted to ensure continual improvement.

Fortescue has ongoing interactions with a large number of stakeholders and is transparent and accountable when

addressing and resolving grievances raised by external stakeholders. The formal process is outlined in the External Stakeholder Grievance Procedure.

A summary of the interests of key stakeholders, and the engagement and responses provided in FY17 is detailed on the following pages.

No external engagement was undertaken specifically as part of the Annual Report preparation process. Engagement with Traditional Owners and local communities is a key focus. More information on this engagement can be found under Protecting Aboriginal Heritage on page 49.

Engagement with Traditional Owners and local communities is a key focus. More information on this engagement can be found under *Protecting Aboriginal Heritage* on page 49.



Employees

Interests

- Ensuring a safe workplace
- Fostering a rewarding work environment, where employees feel empowered through career development and opportunities
- Building a strong and unique culture through a values-driven approach
- Building and maintaining diversity and committing to being inclusive at all times

Engagement/response

- Regular, open, internal communication events including whole-of-team weekly meetings, senior leader forums with the CEO and executive team
- Leadership Excellence Pathway to provide professional development for employees
- Annual safety excellence and culture survey and regular safety engagement on performance and improvement
- Formal employee recognition programs – Northern Spirits and Legends events for employment milestones
- Internal communication channels including pre-start meetings, Company emails, site notices, intranet, internal newsletter, Fortescue TV screens, live-streamed Workplace meetings and events
- Implementation of Fortescue's FY17 Diversity Plan



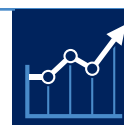
Customers

Interests

- Safe, reliable and consistent supply and delivery of blended iron ore products
- Maintenance of strong technical and commercial relationships through timely, open and honest communication

Engagement/response

- Regular engagement, including face to face and electronic communication
- In-country presence through offices in Shanghai and Singapore
- Highly skilled and experienced marketing and sales team
- Quality control of product
- Implementation of targeted, continuous improvement programs
- Visits to customer operations
- Customer visits to Fortescue's operations



Shareholders and Investors

Interests

- Delivery of strong shareholder returns
- Management of risk
- Delivery of cashflows to support debt repayment
- Strong governance

Engagement/response

- Regular briefings including quarterly, half year and full results
- Regular meetings and briefings of financiers and investors including site visits
- Email alert systems that allow interested parties to register for automatic ASX lodgement notifications
- Participation in investor/advisor sustainability assessments including the 2017 Dow Jones Sustainability Index Assessment
- Annual General Meeting

Engaging with stakeholders



Local communities

Interests

- Sustainable growth and development for communities through local training, employment and business opportunities, education and other services
- Development of a diversified local economy - interface of mining, agriculture or tourism industries
- Potential environmental, economic and social impacts associated with Fortescue's operations
- Culture and heritage management

Engagement/response

- Community development plans
- Dedicated community office and community engagement team
- Meaningful community consultation and engagement
- Fortescue-hosted community events
- Fortescue community support program
- Partnerships and investments in significant projects
- Fortescue Vocational Training and Employment Centres (VTEC)
- Dedicated heritage, pastoralist and Aboriginal development teams
- Implementation of Fortescue's Stakeholder Engagement Framework



Traditional title partners

Interests

- Native title rights and interests
- Compliance with Land Access Agreements and Indigenous Land Use Agreements (ILUA), including heritage and Native Title compliance
- Strengthening cultural awareness and understanding
- Opportunities through training, employment, and business development
- Potential environmental and social impacts of operations

Engagement/response

- Dedicated Aboriginal heritage, Native Title and Aboriginal development teams
- Progressive negotiated review of Land Access Agreements and registration of Indigenous Land Use Agreements
- Regular communication and consultation with Native Title groups and prescribed working group committees
- Support for Aboriginal heritage protection and promotion activities
- Fortescue Vocational Training and Employment Centres (VTEC)
- Targeted and tailored business development meetings
- Fortescue hosted business and employment exhibitions and events
- Local content procurement targets
- Dedicated community office and community engagement team



Suppliers and contractors

Interests

- Ensuring economic opportunity through sustainable business development
- Working together to achieve mutually beneficial outcomes
- Transparent communication through procurement process

Engagement/response

- Regular meetings, communication and reviews with strategic suppliers and contractors
- Strategic relationships and partnerships developed with contractors and suppliers
- Continued growth of Billion Opportunities program
- Local content procurement targets
- Strong policy framework
- Early engagement with key contractors and suppliers for major projects



Government and regulators

Interests

- Job creation, economic activity and local content
- Social and environmental impacts, management and biodiversity offsetting
- Environmental, social and fiscal performance and compliance
- Legislative and regulatory policy frameworks
- Land access and approvals
- Community development
- Royalty payments
- Tax transparency

Engagement/response

- Regular, ongoing engagement with Government and regulators at Federal, State and Local levels
- Land access and approvals
- Public information including financial results and development community reports
- Signatory to the Tax Transparency Code of Australia 2016
- More detailed annual compliance reporting
- Contributing to government/regulator policy development including on modern slavery
- Providing site visit opportunities



Pastoralists

Interests

- Protection and maintenance of productivity levels
- Preservation of groundwater reserves
- Safeguarding of grazing areas

Engagement/response

- Dedicated pastoral access team
- Formal agreements
- On ground mitigation of impact
- Ongoing, informal and formal consultation with individual pastoralists
- Minimise and offset impacts on pastoral operations

Engaging with stakeholders



Non-government organisations

Interests

- Social and environmental impacts and their management
- Community engagement
- Environmental performance
- Human rights performance

Engagement/response

- Involvement in UNGC and other industry forums
- Partnerships in delivery of services and supporting programs
- Reporting, ASX announcements and media releases
- Maintenance of strong environment and community departments
- Continued inclusive engagement and consultation
- Development of corporate policies
- External Stakeholder Grievance Procedure



General community

Interests

- Social and environmental impacts and their management
- Community engagement
- Environmental performance
- Human rights performance
- Employment and business opportunities
- Community support

Engagement/response

- Dedicated community engagement teams
- Regular communication and consultation including specific forums on social and environmental impact mitigation and management for new developments
- Targeted and tailored business development meetings
- Fortescue hosted business and employment exhibitions and events
- Local content procurement targets
- Dedicated community office and community engagement team
- External Stakeholder Grievance Procedure
- Continued support for community programs and events
- Development and implementation of multiple programs including Fortescue's Five Star Program which includes high school scholarships, cadetships, school and work based traineeships and University graduate program



Educational institutions

Interests

- Providing access to career pathways and opportunities
- Supporting Aboriginal students and creating economic opportunity through education and training
- Attracting high calibre employees by positioning the Company as an employer of choice
- Announced an innovative, collaborative partnership with University of Western Australia, Curtin University's WA School of Mines, Lingnan (University) College, Sun Yat-sen University and Central South University in China

Engagement/response

- Development and implementation of multiple programs including: Fortescue's Five Star Program which includes high school scholarships, cadetships and school and work based traineeships, Fortescue's Trade Up and University graduate program.
- Involvement in local career expos such as AMMA Resources Connect
- Site visits and work placement opportunities
- Operational funding for Hedland Senior High School Trade Training Centre

SETTING HIGH STANDARDS



Achieving stretch targets



Setting high standards

Championing safety, embracing diversity and demonstrating integrity



Safety is Fortescue's number one priority and is a core value of the Company.

Employee health, safety and wellbeing

Objective

- To be global leaders in safety across all operations

Target

- Annually, achieve zero fatalities at Fortescue's operations
- By 2020, reduce injuries to lowest Total Recordable Injury Frequency Rate (TRIFR) and severity quartile of resources industry

Fortescue acknowledges that through its operations, employees, contractors and communities may be exposed to health and safety risks and the Company works diligently to identify these risks and ensure adequate controls are in place to mitigate them.

The Company believes it is everyone's responsibility to look out for their mates and this focus on safety leadership and culture empowers everyone at Fortescue to pause and reassess the task to ensure it is always safe. Fortescue's Board of Directors is responsible for overseeing the management of safety and occupational health while the executive team has overall responsibility to ensure safety in the workplace.



CASE STUDY

Significant incident reductions

Fortescue is committed to eliminating incidents that could result in serious injuries or fatalities from its operations.

An analysis of significant incidents was conducted and it was identified that the majority of dropped and falling object incidents occurred in fixed plant facilities. A senior Fortescue engineer was chosen to lead a cross site team

of people to review all fixed plant operations for potential dropped and falling object risks. The team engaged local operators and maintainers through a systematic risk management system and identified over 200 opportunities

to improve controls. Site leadership teams are now implementing the improvements.

A tiered Health and Safety program ensures a consistent approach to safety management across the business. The program includes:

- **Fortescue's Health and Safety Management System**

An overarching framework which includes all of the controls required to achieve safe outcomes

- **Fortescue's Major Hazard Control Standards Management Program**

65 common and 14 site-specific critical controls, which are monitored by leaders to ensure fatality risks are eliminated

- **Fortescue's Life Saving Choices initiative**

12 simple rules which empower employees and contractors to manage the safety risks where they have direct control of the job

- **Fortescue's Mental Health and Wellbeing blueprint**

Outlines Fortescue's approach to ensuring the health and wellbeing of the workforce is effectively managed.

Fortescue focuses on preventing high-risk events through the implementation of a critical control monitoring program. Under this program, the safety leadership team conducts critical control audits according to a risk based schedule, ensuring controls are in place and are effective.

An active program of education, training, monitoring and reporting is in place, which ensures a focus on continuous improvement and learning from experience. Further to sharing ideas across the business, the Company is actively engaged at both a local and global level to identify and implement leading safety practices.

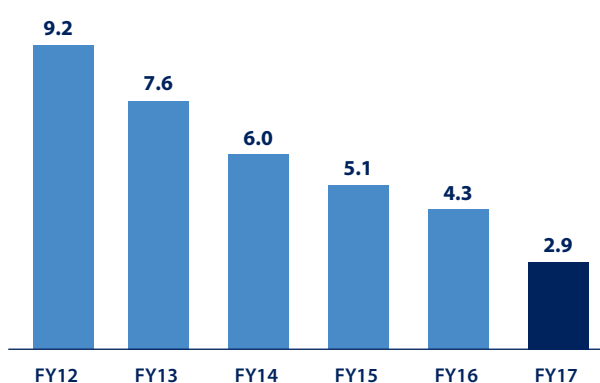
Fortescue's safety reporting is aligned with the United States Government Occupational Safety and Health Administration (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses. The rates provided include all employees and contractors working on a Fortescue site and are based on one million hours. The severity rates include days lost and days restricted from work and are based on one million hours.

Fortescue's Total Recordable Injury Frequency Rate (TRIFR) per million hours reduced from 4.3 in FY16 to 2.9 in FY17, totalling a 33 per cent reduction. A Company-wide focus on improving safety has seen Fortescue's TRIFR reduce by 68 per cent over the past five years, including a reduction of 43 per cent in the past two years.

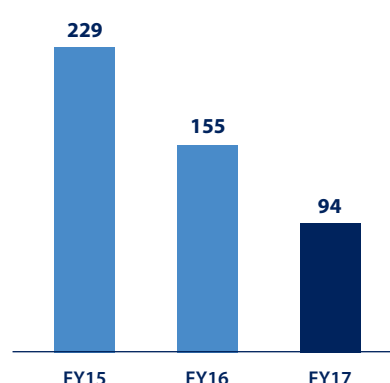
The injury severity rate per million hours worked reduced by 39 per cent in FY17 from 155 to 94.

There were no workplace fatalities or prosecutions in FY17 for workplace safety breaches.

Total Recordable Injury Frequency Rate (TRIFR)



Severity Rate



Setting high standards

↑ 92%

Participation in annual Safety Excellence and Culture survey



Safety culture

Objective

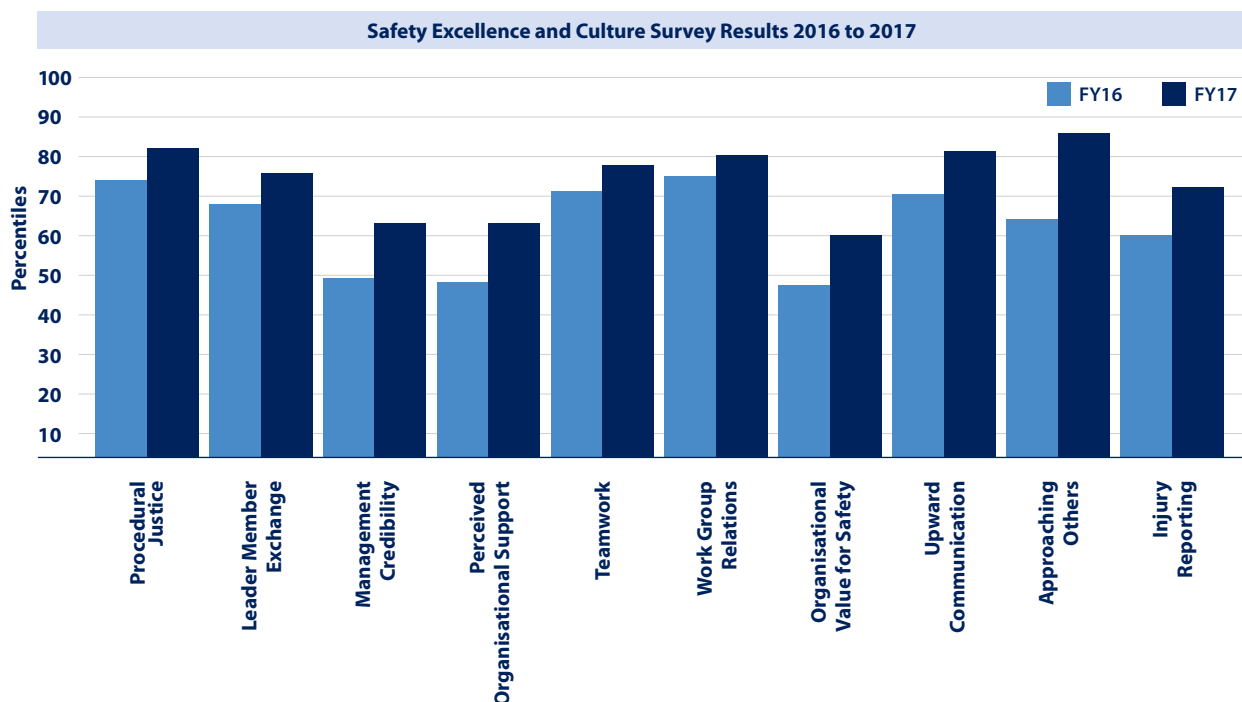
- To continuously improve and develop a leading safety culture that works towards a TRIFR of zero and actively cares for all employees and contractors

Target

- By the end of FY18, achieve top quartile safety excellence and culture survey results

An independent safety excellence and culture survey of employees and contractors conducted in May 2017 received a record completion rate of 92 per cent of eligible participants. The annual survey is a key tool for engaging with Fortescue employees and contractors to identify further opportunities to improve the Company's unique safety culture.

The improvement in engagement of the workforce over FY16 to FY17 is illustrated below:





CASE STUDY

Reducing hand injuries

Hand injuries represented over 50 per cent of Fortescue's total recordable injuries in FY17.

A number of strategies were put in place to address this including a strong leadership campaign where every leader had to ask the question of their teams 'what did you do to save someone's hands?' when they observed their team members working.

This was in addition to a glove trial which engaged 450 people from different at-risk departments to test more than 2,000 gloves and provide feedback on their suitability. As a result of the responses received during the trial and the leader-led observation

questioning, Fortescue introduced a number of improvements and saw a reduction in hand injuries from April 2017 to June 2017, with no hand injuries in June 2017.



Hand injuries
in June 2017



Setting high standards

Promoting healthy lifestyle

Objective

- To promote the value of a healthy lifestyle to Fortescue employees and contractors, emphasising mental and physical wellbeing

Target

- By the end of FY18, develop and implement a business-wide healthy lifestyle program

The health and wellbeing of the Fortescue team is of the utmost importance.

In partnership with the University of Sydney, Fortescue conducted a health and wellbeing study in FY17 to explore health, mood, sleep and heart rate patterns and allow employees to better measure and manage their stress levels. The stress reduction program and materials were made available to the whole business following the study.

In FY18, the Company will undertake a baseline assessment to determine the health of its employees. The de-identified data will be used to formulate a health index and will be critical in assisting Fortescue to prioritise and focus on health related campaigns.

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 test results

Fortescue's alcohol and other drugs (AOD) program reinforces the importance of maintaining a zero tolerance of alcohol and drugs while working.

In FY17, Fortescue conducted over 20,000 drug tests across sites through random, blanket or 'for cause' programs. On average, each person was tested approximately 2.8 times throughout the year.

The percentage of positive drug tests reduced from 0.77 per cent in FY16 to 0.32 per cent in FY17. This reduction can be attributed to a range of initiatives including online awareness and education training, the 'Speak Up' program and the continued support provided to employees by leadership, the Fortescue Chaplains and the Employee Assistance Program.



4,289
Direct employees

A\$61.2 million
Total superannuation

A\$556.3 million
Total salaries

A\$116.3 million
Total bonus payments

The Fortescue family

Fortescue is a values-based business with a strong, differentiated culture. The Company believes that by leveraging the unique culture of its greatest asset, its people, it will achieve stretch targets in all of its key pillars.

As at 30 June 2017, Fortescue employed 4,289 direct employees, 316 part time permanent employees and 850 people worked under labour hire contracts. 55 per cent of employees were covered by enterprise agreements.

As at 30 June 2017, annualised voluntary turnover is 7.5 per cent which is a reduction from 13.6 per cent in FY16.

To attract and retain the best people, Fortescue offers a number of additional incentives for team members, as illustrated above.

16 WEEKS
Paid parental leave
for primary carer

**Salary sacrifice
share scheme**

13 WEEKS
long service
leave

after 10 years' service with access to

**Bonus
payments**

11%
superannuation
(legislation requires
only 9.5 per cent)

6.5 WEEKS
from 5 years

Setting high standards

Key employment data FY17

Number of employees by gender (employees and labour hire)

Male	4,370	82.7%
Female	912	17.3%
Total	5,282	

Number of employees by employment type (employees and labour hire)

Full Time	3,913	74.1%
Part Time	316	6.0%
Fixed Term Full Time	178	3.4%
Fixed Term Part Time	10	0.2%
Casual	15	0.3%
Labour hire	850	16.1%
Total	5,282	

Number of employees by employment category (direct employees only)

Machinery operators and drivers	1,686	38.0%
Technicians and trade	1,282	29.0%
Professional	761	17.2%
Clerical and administrative	167	3.7%
Superintendents	146	3.3%
Senior Managers	112	2.5%
Labourers	100	2.3%
Technicians and trade (Apprentice)	100	2.2%
Community and personal service	36	0.8%
Other executives / general managers	29	0.7%
Professional (Graduate)	7	0.2%
Other	3	0.1%
Key Management Personnel (KMP)	2	0.0%
CEO	1	0.0%

Board membership

Male	4	44.4%
Female	5	55.6%

Number of employees by region

Australia	5,253	99.5%
China	13	0.2%
Singapore	13	0.2%
Ecuador	3	0.1%
Total	5,282	

Age distribution (employees and labour hire)

≤ 30 Male	893	16.9%
≤ 30 Female	270	5.1%
31-50 Male	2,645	50.1%
31-50 Female	524	9.9%
51+ Male	832	15.8%
51+ Female	118	2.2%
Total	5,282	

Setting high standards

Key employment data FY17

Aboriginal employees (employees and labour hire)

Employees – Male	615	73.7%
Employees – Female	220	26.3%
Total	835	

Turnover and training data (direct employees only)

Employee turnover – resignations

Male	275	7.5%
Female	57	7.6%
Total	332	7.5%

Turnover by region – resignations

Australia	332	7.6%
China	0	0.0%
Singapore	0	0.0%
Ecuador	0	0.0%
Total	332	7.5%

Turnover by age group – resignations

< 30 Male	48	6.9%
< 30 Female	16	7.7%
31-50 Male	178	7.9%
31-50 Female	31	6.9%
51+ Male	49	6.9%
51+ Female	10	10.3%
Total	332	7.5%

Total hours of training by gender

Male	145,430	-
Female	17,613	-

Average hours of training per person by gender

Male	41	-
Female	31	-

Average hours of training per person by gender – professional/management positions

Male	21	
Female	21	

Total hours of training by employee type

Permanent – Full time	145,532	
Fixed term	9,660	
Part time	7,851	
Retention rate of employees returning from parental leave (%)	96	

Percentage of employees receiving regular performance and career development reviews

Male	100	
Female	100	
Total	100	



Supporting leaders

Culture is a direct reflection of leadership, which is why Fortescue places great importance on the personal development of its leaders. The Leadership Excellence Pathway is founded on the following key principles:

- Leaders train leaders – this critical role is not outsourced
- A simple framework to ensure leaders clearly understand what is expected of them
- Championing the value of each individual leader and the different attributes they bring to the business.

The pathway includes a four-day Leadership Fundamentals Program, two-day Advanced Leadership Program and short and targeted Leadership Development Programs on sites, focussing on specific leadership aspects.

In FY17, 278 current and emerging leaders completed formal leadership training in 24 courses. Since its inception in 2015, 942 leaders have completed this development program. The Fortescue career resiliency program supports high performing female employees to develop their career direction and achieve their potential. In FY17, 31 females attended the course.

Recognising the Fortescue team

Fortescue's employee recognition program, Northern Spirits, celebrates and rewards Fortescue team members who make the Company's culture even stronger.

All award levels recognise the contribution of a team member or team against one of the six following categories:

1. Keeping ourselves and our mates safe
2. Building great team culture
3. Inspiring female employees to thrive
4. Having a crack at the bottom line
5. Closing the gap by supporting Aboriginal achievement
6. Going the extra mile for our community.

In FY17, 24 Northern Spirits recipients were recognised and rewarded with a day at the Fortescue Centre in Perth, breakfast with the Fortescue leadership team, the opportunity to be interviewed by the CEO at the Company-wide weekly meeting and a day spent with different teams.



Setting high standards

MEET

Mark Komene

Mark is the Manager for Port Operations and has worked for Fortescue for eight years.

He says he loves coming to work every day to solve new challenges presented to the team and interact with great people.

Mark's team has maintained consistently strong results in the Company's safety excellence and culture survey and says his focus has been to help Fortescue achieve its goal of becoming a global leader in safety.

"I get the team to look at what it would mean if they were injured at work and the impact on their family and social life, for instance the inability to play with your kids on your days off. No task requires shortcuts, we don't have to rush. If we follow the right, repeatable process to unload trains and load ships, we can do it once, do it well and do it safely," Mark said.

The TRIFR result for Port Operations has been zero for two years now, which has resulted from a real team effort of not accepting the status quo, raising issues so they can be heard and making decisions together to set the team up well for the future.

Graduate and apprentice programs

For six years Fortescue has been running a successful graduate program with 100 per cent of graduates securing permanent employment at the end of the program. Fortescue offers opportunities in the science based disciplines including mechanical, electrical, mining and process control engineering, metallurgy and geology. The programs are Fly-In Fly-Out (FIFO) based to ensure that operational experience is provided to broaden these new mining employees' career opportunities. During FY17 there were seven graduates participating in this program, five of whom were female.

Fortescue's apprenticeship program has been running for over six years, with many apprentices receiving awards and accolades for their skills and professionalism.

To date, 41 successful trade graduates have secured permanent employment on completion. In FY17, there were 66 apprentices and 34 Trade Up trainees employed with Fortescue.

Covering a range of trades to support the business including electricians, heavy vehicle mechanics, fixed plant mechanics, fabricators and light vehicle mechanics, apprentices are rotated around the sites to ensure they receive maximum learning opportunities.

Employee support

Fortescue's Chaplaincy is a dedicated pastoral care service for everyone in the Fortescue family. The vision of Fortescue's Chaplaincy is to be proactive in creating pastoral care in a welcoming and wholesome work environment. They are available to all employees, contractors and their families as well as the Fortescue Board of Directors. They also offer support to families at home when employees are on sites.

In October 2016, Fortescue partnered with LIVIN to host a series of mental health workshops during Mental Health Week. LIVIN ambassador and Western Force captain Matt Hodgson along with LIVIN co-founder Sam Webb travelled to all Fortescue sites to spread the message 'It Ain't Weak To Speak.'





Opportunity: Embrace diversity through building a flexible, inclusive organisation, free from discrimination.

Workplace diversity

Objective

- Increase the number of female employees and leaders, to build a more inclusive culture

Target

- By 2020, achieve an employment rate of 25 per cent for women
- By 2020, achieve an employment rate of 30 per cent for women 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

Fortescue employees view diversity as:

Developing teams with a broad range of personalities, skills and experience, and embracing the new ideas and innovative ways of doing things that come from this. We celebrate and respect our people's differences and are committed to being inclusive at all times.

Setting high standards

Workforce diversity embraces a number of aspects including gender, race, sexual orientation, religion and age.

Fortescue believes that each person has a responsibility to champion diversity and a role to play in cementing Fortescue as an employer of choice for people of all backgrounds.

This year, Fortescue took an important step in supporting transgender employees with the release of the Company's Transgender Guideline which articulates that discrimination or harassment of any type for people who identify as transgender will not be tolerated.

Fortescue has a proud history of championing Aboriginal diversity. The Company's Aboriginal engagement journey is captured under 'Creating opportunities for Aboriginal people.'

Building on this success, Fortescue is committed to increasing female participation in its workplace. A breakdown of female representation across the business and at senior levels is listed below:

Female %				Male %				
Employee Group	FY14	FY15	FY16	FY17	FY14	FY15	FY16	FY17
Whole of Fortescue	17.4	16.2	16.1	17.3	82.6	83.8	83.9	82.7
Senior Executives	10	17	14.7	20	90	82.9	85.3	80
Board Members	20	30	37.5	55.6	80	70	62.5	44.4

CASE STUDY



Female representation on Fortescue's Board of Directors

In FY17, Fortescue became the first ASX20 Company to have five women on the board

"We are proud that in the selection on commitment, merit, diversity and skill for our Board, Fortescue has become the first ASX Top 20 Company with five female board members," Fortescue Chairman Andrew Forrest said.

"Essential to increasing female representation is ensuring the workplace is a welcoming, supportive and encouraging environment for women."

55.6%

female Board members as at 30 June 2017

L-R Non-Executive Director Jennifer Morris, Chief Financial Officer and Executive Director Elizabeth Gaines, Chief Executive Officer and Managing Director Nev Power, Non-Executive Director Sharon Warburton, Chairman Andrew Forrest AO, Non-Executive Director Jean Baderschneider, Lead Independent Director Mark Barnaba AM, Non-Executive Director Penny Bingham-Hall, Non-Executive Director Cao Huiquan

Setting high standards

Fortescue's Diversity plan objectives FY17

Continue to increase female employment rate

Company-wide target set at 25 per cent female employment by 2020

- Progress:**
- In FY17, the number of female employees increased to 912, an increase from 16.1 per cent in FY16 to 17.3 per cent in FY17
 - Six out of 29 executives are female, representing 20 per cent of Fortescue's executive team
 - Fortescue will continue to enhance its programs and initiatives to meet its 2020 targets.

Build talent pools

Set targets for internal and external recruitment providers of 20 per cent female employment by FY17

- Progress:**
- Although the number of female employees increased in FY17, Fortescue was not able to reach its target of 20 per cent employment by FY17 across the Company.

This target was met at the executive level and exceeded in the following programs:

- Trade Up – 25 per cent
- Graduate program – 71 per cent
- VTEC – 48 per cent

Attract parents to return to work following career breaks

- Progress:**
- 96 per cent retention rate of employees returning from parental leave.
 - Two Business Update events were held at Fortescue Centre for parents wanting to return to the workplace after having children in FY17.
 - Employees are encouraged to participate in 'Keeping in Touch days' where employees on Unpaid Parental Leave have the option of working up to 10 days (not continuous) during the Unpaid Parental Leave period to assist with the transition back to work. Support is also provided to those on parental leave through the Fortescue People department.

Develop training pathways for women into ore processing roles

- Progress:**
- Fortescue is working with operational teams to develop specific training and mentoring programs that will increase female employment in ore processing roles.

Encourage female employees to obtain professional qualifications

- Progress:**
- In FY17, Fortescue's Trade Up opened to all women. 10 females form part of Fortescue's Trade Up which is close to 25 per cent of the overall participants.
 - Fortescue encourages female employees to obtain qualifications and further their career opportunities through its six monthly performance review program Success Factors and through the career resiliency program.

Fortescue undertakes an annual wages benchmarking assessment to ensure that wages are comparative with those within the Australian mining industry and that equitable remuneration exists for like-for-like roles, independent of gender, race, age and culture. Remuneration are adjusted according to the results of these reviews.

A role by role gender pay review has been successfully conducted over the last two years and female employees whose remuneration was identified as less than male peers in the same role was adjusted.

Fortescue's Diversity plan objectives FY17

Create a workplace which supports diversity

Celebrate success in diversity through the Company's recognition programs

Progress: • During FY17, four 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

Progress: • During FY17 the number of both males and females accessing primary carer's paid parental leave increased from previous years.
• 247 direct employees utilised flexible working arrangements, an increase from 104 in FY16.

Provide childcare options so employees can balance work and family responsibilities

Launch Fortescue Family Room at Fortescue Centre in Perth

Progress: • Fortescue's Family Room was launched at the Fortescue Centre in Perth in April, 2017

Support employees when attending Company meetings and 'keep in touch' with childcare options

Progress: • During FY17, a 'pop up' crèche was set up four times for meetings where primary carers were invited to attend. Participation in the crèche grew throughout the year with 22 children being cared for by nine carers during the last meeting of the year.

Support employees with family responsibilities through family site visits and community based family support

Progress: • During FY17 the numbers of family and friends hosted at each site was:

Location	Total number
Port and Rail	94
Cloudbreak	75
Christmas Creek	105
Solomon	96

Support and promote opportunities for aspiring female leaders

Identify females with leadership potential through talent reviews and ensure participation in leadership development programs

Progress: • During FY17, 31 females identified as having leadership potential participated in two career resiliency programs. The program is designed to empower and support high performing female employees in developing their career path. The program is an important career development opportunity for women at Fortescue and is a critical part of Fortescue's ongoing commitment to diversity and inclusivity.

Continue the career resiliency program, the CEO for the Day initiative and mentoring programs

Progress: • Three females participated in the CEO for the day program in FY17
• 31 women participated in the career resiliency program in FY17
• 16 women have already been identified for the FY18 program as at 30 June 2017.

Setting high standards



Fortescue Family Room

Fortescue's Family Room was launched at the Fortescue Centre in Perth in April, 2017.

The centre provides a place for children to be cared for on an infrequent or short-term basis, while a parent or guardian is working or participating in meetings within the Fortescue Centre.

The Fortescue Family Room is an independent, secure space that includes play and sleeping areas. It is open to children aged eight weeks and above for up to four hours per day. The centre also includes a study zone with desks, monitors and wi-fi for older children who may need a space to study after the school day is finished or during the school holidays.

Since August 2017, Dial an Angel Perth is now providing short term care at the facility when employees book carers through an online booking system.

Looking forward – FY18 diversity plan

Ensuring Fortescue's commitment to diversity is embedded in the Company's culture will be fundamental to the sustainability of diversity initiatives. Fortescue will continue to focus on these key areas:

- Career progression will be a key objective in the first quarter, particularly for females moving towards senior roles
- Continuing to focus on enhancing existing programs which promote diversity
- Further consultation with employees concerning diversity initiatives and retention strategies for female employment such as leadership development, child care options, breast feeding facilities, flexible working arrangements and the inclusion of key performance indicators for sites concerning gender equality
- Addressing the gender diversity gap through efforts to increase female employment, set business targets, career progression and the gender pay review
- Increasing awareness of the benefits of workplace diversity - promoting 'diversity of thought,' integral to further business growth and driving innovation.

Setting high standards

Protecting Aboriginal heritage

Objective

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

Target

- Annually, ensure Fortescue has no impact to Aboriginal heritage without free, prior and informed consultation with Aboriginal people

The identification and management of Aboriginal heritage is fundamental to Fortescue's approach to sustainable operations and the Company's commitment to protect and promote Aboriginal history and culture.

In FY17, the Ground Disturbance Permit (GDP) system was replaced with spatially integrated software, which more effectively assesses and monitors proposed activities against obligations in a number of areas. The upgrade has strengthened the capacity of the business to manage approvals and compliance and has delivered enhanced protection for Aboriginal heritage.

During the year, Fortescue continued to support The Gamburlarna Project, in addition to a number of heritage promotion activities aimed at building ongoing awareness about the importance of Aboriginal heritage and the responsibilities of all employees and contractors. The Gamburlarna Project is an initiative of Fortescue and the Wirlu-Murra Yindjibarndi Aboriginal Corporation (WMYAC), launched in 2014. The Project involves a number of cultural and community-based sub-projects, including a cultural map development; the 'Untold Stories' video project, recording traditional stories, songs, ceremonies and knowledge of the Yindjibarndi People; a land management program; a social enterprise program that focuses on Roebourne Community and an organisational capacity-building program.

The heritage promotion activities have also been effective in improving compliance with obligations. Most recently, the CARE for Heritage campaign was rolled out in May 2017.

Fortescue's inaugural sustainable heritage report for 2017 will be published in January 2018, detailing positive outcomes achieved in approvals, compliance and project activities.

Longstanding partnerships

Fortescue continues to build on its strong, long-standing relationships with Native Title partners across the Pilbara. The Company has Land Access Agreements (LAAs) in place with seven Native Title groups in the Pilbara region, specifically the Kariyarra, Palyku, Nyiyaparli, Martu Idja Banjima, Eastern Guruma, Puuti Kunti Kuruma Pinikura and Njamal People. Fortescue also works closely with the WMYAC as a representative of Yindjibarndi Traditional Owners.

In 2015, Fortescue commenced negotiations with several Native Title Partners to convert the earliest LAAs, executed in 2005, to Indigenous Land Use Agreements (ILUAs).

The first of the ILUAs, between Fortescue and the Nyiyaparli People, was registered by the National Native Title Tribunal (NNTT) in December 2016. Under the Agreement, which relates to the Company's Christmas Creek mine operations, Fortescue will work even more closely with the Nyiyaparli People to identify and deliver community and business development opportunities.

Fortescue expects to convert the remaining Land Access Agreements into ILUAs with most native title partners through FY18. In addition to its LAAs and ILUAs, Fortescue has concluded 20 heritage agreements to facilitate exploration activities with nine Native Title groups.

On 20 July 2017, the Federal Court handed down its reasons for judgment on the matter of *Warrie (formerly TJ) (on behalf of the Yindjibarndi People) v State of Western Australia*, in which Fortescue is the second respondent. In the Company's view, the Court's decision has no impact on the current and future operations or mining tenure at the Solomon Hub. Fortescue has no commercial concerns and does not anticipate any material impact following the decision.

**20 heritage
agreements completed**



Setting high standards

5,196

**active heritage
places managed**

0

**reportable
heritage
incidents**



more than

1.4 million ha
**ethnographically
surveyed**



more than

162,000 ha
**archaeologically
surveyed**

Working together to manage heritage

Fortescue is committed to the identification and protection of Aboriginal heritage and believes it is important to increase shared knowledge of Aboriginal culture in order to develop a richer understanding of Australia's first people.

The identification and management of Aboriginal cultural heritage is fundamental to the Company's approach to sustainable operations. Fortescue consults closely with Native Title Partners and government to ensure effective cultural heritage management outcomes and commitment to compliance with all applicable legislation, including the Western Australian Aboriginal Heritage Act 1972 (AHA).

For the second consecutive year, Fortescue is proud to report that there were no incidents impacting on Aboriginal heritage sites in FY17.

Building cultural understanding

Working adjacent to known heritage areas presents a unique opportunity for employees and contractors to better understand, respect and promote Aboriginal history, heritage and culture. In FY17, heritage staff organised and attended six heritage sub-committee meetings with Native Title Partners to ensure a transparent and open dialogue is maintained about heritage processes, approvals, compliance and Fortescue's operations.

In consultation with Native Title partners, Fortescue delivers a comprehensive program of cross cultural and heritage education for all employees and contractors. In FY17 the heritage induction process for all employees and contractors was strengthened through the integration of an educational video on heritage processes.

RED SPEAR AGREEMENT



Ethical conduct, bribery and corruption

Objective

- To ensure Fortescue's corporate values reflect ethical conduct and respect and are embedded in the business through leadership, training, performance assessment and remuneration

Target

- By mid FY18, further embed ethical conduct within the business
- Annually, meet and exceed global anti-bribery and corruption standards including requirements in respect to US Foreign Corrupt Practices Act (FCPA) and UK Anti-Bribery Act

Fortescue's long-standing commitment to doing business with integrity and honesty is built on the Company's values, the professionalism of its employees and a collective responsibility to act with accountability and transparency at all times.

The Company clearly articulates and maintains ethical business principles and practices and implements sound systems of corporate governance. Business risks are identified through validated data and sound science and managed with CSR considerations incorporated into decision making processes.

Bribery and corruption

Bribery and corruption undermines legitimate business activities, distorts competition and exposes Fortescue and its people to significant risks. Fortescue is committed to always complying with the laws of every country in which it operates.

There were no violations of anti-bribery and corruption laws detected within or in connection to Fortescue in FY17.

To ensure a zero-tolerance approach to bribery and corruption, Fortescue has implemented a rigorous system of rules and controls. Consistent with Australian and International standards and expectations, this is overseen by a Business Integrity and Ethics Committee and specialist Business Conduct and Compliance Manager.

Fortescue's anti-bribery and corruption compliance program includes:

- Participation in voluntary anti-corruption initiatives including the Australian Business Integrity Council and through the local United Nations Global Compact Australia network
- Regular and specialist fraud and corruption risk assessments that consider the potential fraud, bribery and corruption risks associated with the business, employees, third-party partners and geographic locations in which the Company operates
- A commitment to sourcing from suppliers that adhere to Company standards, including the Human Rights Policy, Code of Conduct and Procurement Policy and conducting compliance audits of suppliers
- Prohibition of the giving and receiving of gifts in connection with the Company's operations which go beyond common courtesies associated with general commercial practice
- Rigorous policies around the provision of political donations to any political party, politician or candidate for public office
- A process for investigating allegations as well as a number of channels for employees and others to confidentially report suspected or actual misconduct or violations of Company policy such as the Whistleblower hotline and 'Speak Up' program.

This year, a number of employees and contractors were terminated following a number of breaches of Fortescue's values and expectations outlined in the Code of Conduct and Integrity.

There were no violations of anti-bribery and corruption laws detected within or in connection to Fortescue in FY17.



Ethical conduct

Fortescue operates under a Code of Conduct and Integrity which reflects the values that underpin the behaviour of the entire Fortescue family and its relationship with stakeholders.

The Code defines Fortescue's commitment to achieving and maintaining its reputation as an employer of choice, an ethical business partner and a good corporate citizen. The Code reflects the list of policies which govern Fortescue's business activities including:

- Health and Safety Policy
- Risk Management Framework and Policy
- Procurement Policy
- Diversity Policy
- Anti-Bribery and Corruption Policy
- Environment Policy
- Human Rights Policy
- Equal Opportunity, Harassment and Bullying Policy.
- Securities Trading and Continuous Disclosure and Market Communications Policies
- External Communications and Media Policies
- Appropriate use of Information Technology Policy

It is the responsibility of all employees and contractors to ensure they are familiar with the Code, which is easily accessible both in printed and electronic formats on Fortescue's website and intranet.

To reinforce information contained in the Code of Conduct, Fortescue provides critical anti-bribery and corruption education and awareness on a regular basis.

All international employees and those likely to be exposed to bribery and corruption receive in-person training with the specialist Business Integrity Manager to ensure compliance with international regulatory requirements and applicable bribery and corruption laws.

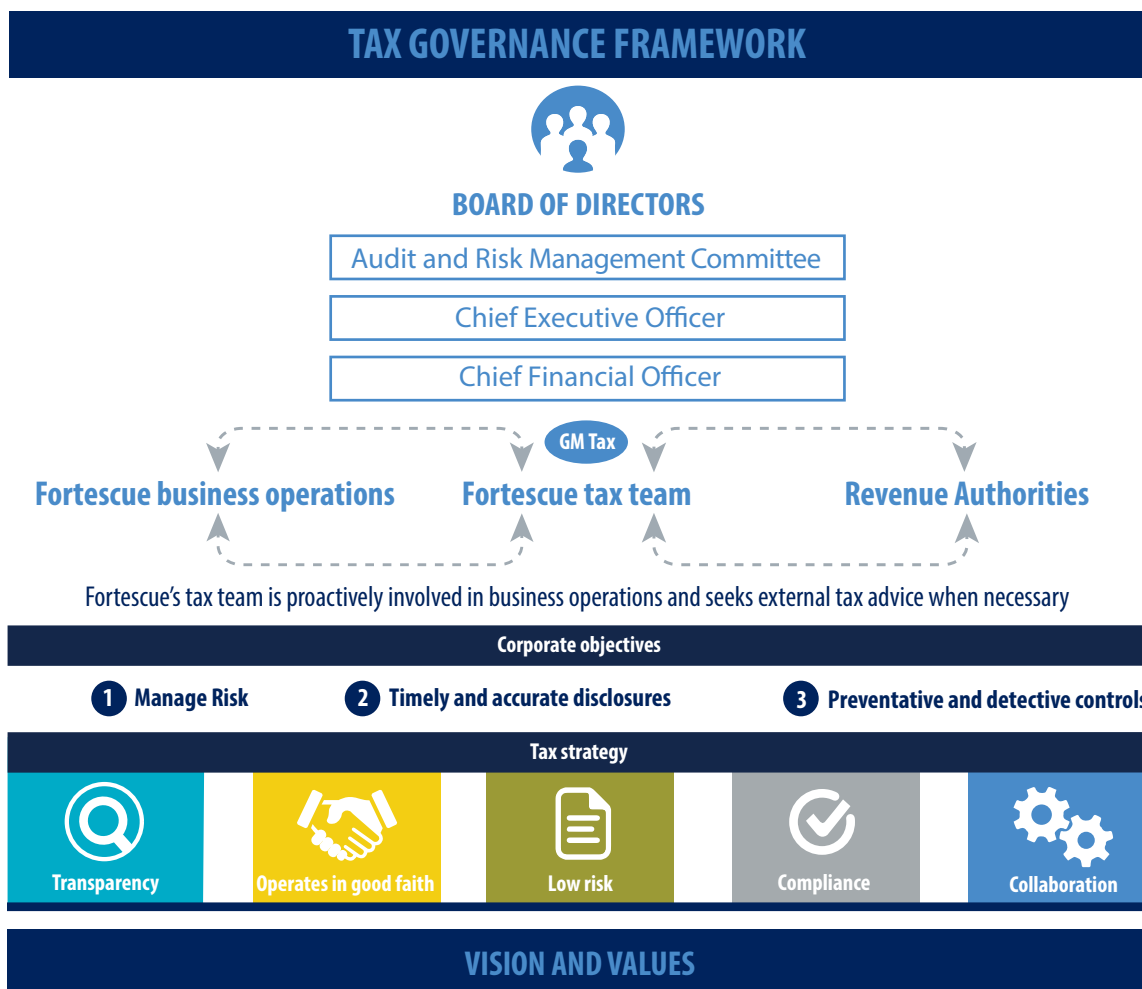
All employees are subject to Performance Assessments every six months where adherence to the Code of Conduct is assessed and reported. Remuneration is linked to these assessments.

Building on this foundation, Fortescue will further embed ethical conduct throughout the business through programs targeting leadership, training, performance assessment and remuneration in FY18.

Fortescue will meet and exceed global standards on corruption including ISO 37001:2016 Anti-bribery management systems and make a formal commitment to initiatives such as the Extractives Industry Transparency Initiative by 30 June 2018.

In addition, the Company will continue to demonstrate that its Corporate Social Responsibility strategy is included in the assessment of all new development opportunities in Australia and elsewhere.

Fortescue's approach to tax



Fortescue is committed to ensuring communities benefit from the growth and development of its businesses and is proud of its contribution to the state and the nation's economic strength. Tax payments are an important element of Fortescue meeting its obligations to the Australian community.

As a proud Australian company, Fortescue operates transparently and in good faith with the Australian Tax Office and seeks to have good working, collaborative relationships with all revenue authorities where its business is undertaken. The Company is fully compliant with the prevailing tax laws of all jurisdictions in which it operates, and is classified as a compliant and low risk taxpayer by all revenue authorities. In the last four years, no adjustments have been made to Fortescue's tax payments following income tax reviews by relevant authorities.

Fortescue accepts a low level of risk in relation to major transactions and tax compliance activities and undertakes to file only verified tax positions. Where the application of the tax legislation is unclear, Fortescue seeks external tax advice support and consults with the relevant taxation authorities to achieve an appropriate level of certainty.

Fortescue's comprehensive Tax Governance Framework is the key policy that governs the management of tax related risks in Australia and in all relevant overseas jurisdictions.

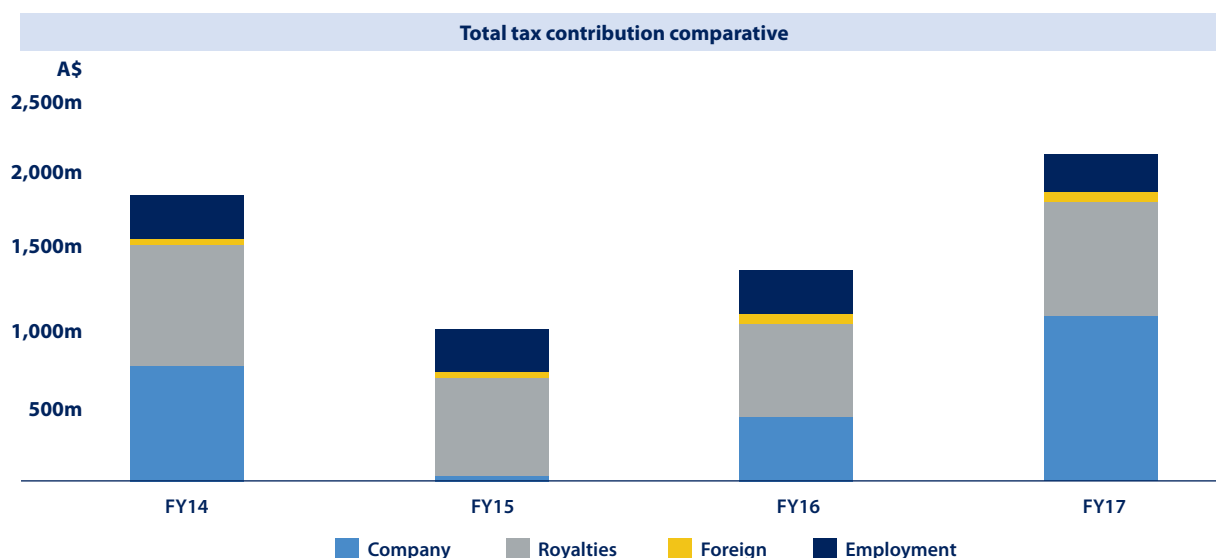
Tax Transparency Code

Fortescue is committed to transparency across all aspects of its business, including in relation to its tax obligations. By providing the Company's investors and other external stakeholders with relevant tax information, Fortescue is able to build a deeper understanding of its tax profile. Fortescue's continuous review of internal tax policies, industry best practice, feedback from key stakeholders and legislative developments, further underlines the Company's commitment to tax transparency.

In 2016, the Australian Board of Taxation (BoT) released a voluntary Tax Transparency Code (TTC) setting a number of 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. Fortescue has adopted this voluntary reporting requirement for its 30 June 2017 Financial Report tax disclosures.

In order to comply with Part A of the TTC Fortescue has extended a number of disclosures contained within the annual financial report. Part B of the report is intended to detail Fortescue's approach to tax strategy and governance, as well as providing additional information on overseas operations and international related party transactions.

Setting high standards



Fortescue's total tax contributions

Fortescue operates primarily in Australia, as well as a number of international locations. The Company pays taxes according to the prevailing laws in each jurisdiction. Taxes applicable to Fortescue's business include:

- Company taxes
- Value added taxes
- Royalties
- Stamp duties
- Excise and import duties
- Withholding taxes
- Comprehensive employer taxes such as fringe benefits taxes, payroll taxes and various employee insurances.

Fortescue also collects and pays a number of additional taxes beyond those directly attributable to the Company. These include PAYG withholding tax from salary and wages paid to employees.

As Fortescue's principal operations are located in Australia, the majority of the Company's tax liabilities are paid in Australia. In addition, given the current structure of Fortescue's 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.

A summary of Fortescue's 2017 financial year tax obligations and tax history are detailed above.

Australian Tax Office (ATO) publications

Each December the ATO issues a Report of Entity Tax, which provides high level details of Fortescue's income tax return. The following details are expected to be published by the ATO in December 2017 for Fortescue's income tax return lodged for the prior financial year ended 30 June 2016. All figures are disclosed in Australian Dollars.

ABN	57 002 594 872
Total Income	A\$8,882,157,697
Taxable Income	A\$1,489,902,962
Income Tax Payable	A\$393,497,536

The following additional information provides important context for the anticipated information 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 100 per cent wholly owned subsidiaries in Australia.
- Total income represents gross revenue from all operating activities and not Fortescue's profit. Fortescue's Australian profit for the year ended 30 June 2016 was A\$1.736bn.
- The income tax payable of A\$393m is determined by multiplying Fortescue's taxable income of A\$1.489bn by the 30 per cent corporate tax rate and then deducting eligible tax offsets, such as the research and development (R&D) incentive and foreign income tax offset (FITO) credits, totalling A\$53m for the year ended 30 June 2016.

Over A\$2 billion in taxes paid in FY17

International related party transactions

Fortescue is a proud Australian company and has a relatively small proportion of international related party dealings. As part of Fortescue's tax strategy, all international related party dealings are priced in accordance with the requirements of relevant Australian and foreign tax legislation. Fortescue discloses all material international related party transactions through the lodgement of tax returns and other statutory disclosures to revenue authorities, including Fortescue's detailed International Dealings Schedules and Country-by-Country reports.

For the 2017 year, the gross value of all international related party transactions in and out of Australia was immaterial. In addition to the international related party transactions noted below, Fortescue has a number of financing and management arrangements with its international related entities. These arrangements are immaterial to the overall trading revenue position of the Fortescue Group.

The Fortescue Group includes a number of active subsidiary companies that are incorporated in jurisdictions outside of Australia. These are summarised in the table below:

Jurisdiction	Nature of activities
Singapore*	- FMG International Pte Ltd (FMGI) is a Singaporean resident entity, which is 100 per cent directly owned by Fortescue. - Since 2012, FMGI manages the majority of Fortescue's shipping services including chartering activities, voyage operations, technical and crew management, as well as the commercial management of the ore carriers. - 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.
Guernsey*	- GMF Insurance Limited (GMF) is a captive insurance company which provides insurance services to Fortescue and its subsidiaries. - GMF is domiciled in Guernsey and is a Guernsey resident for tax purposes. The Company is taxed at the standard rate of tax in Guernsey of zero per cent. However the total taxable income of GMF is attributed back to Fortescue in Australia and taxed at 30 per cent.
Hong Kong	Magnetite Investment - In 2013 Fortescue and Formosa Plastics Group (Formosa) announced a joint venture, established to develop and operate the FMG Iron Bridge project. FMG Iron Bridge (FMG IB) is a Hong Kong resident company which is jointly owned by Fortescue (88 per cent) and Baosteel Resources International Co. Ltd., a subsidiary of China's Baowu Group (12 per cent). - FMG IB was incorporated as a result of a restructure of Baosteel Resources interest in the magnetite tenements and it does not generate any active income and therefore does not pay any taxes in Hong Kong. As there is currently no active business, Fortescue does not incur any income tax liability for FMG IB in Australia. Shipping Services - Fortescue's fully owned subsidiary FMG Hong Kong Shipping (FMGHKS) provides iron ore transportation services to wholly owned subsidiary FMG Pilbara Pty Ltd ('FMG Pilbara') under a Transportation Services Agreement utilising ore carriers.
America	- FMG America Finance Inc is Fortescue's registered holder of all US debt. - Fortescue has not generated any income in America for the year ended 30 June 2017.
New Zealand and South America	- Fortescue undertakes minor exploration activities through its subsidiaries in New Zealand and South America. - Fortescue has not generated any income in New Zealand and South America for the year ended 30 June 2017.

* These companies are subject to the Australian CFC rules. Under these rules, profits generated by these subsidiaries from trading with Fortescue are taxable in Australia at the 30 per cent Australian corporate tax rate.



SAFETY

TRIFR

2.9



The safety of Fortescue's people is the Company's highest priority.

CREATING POSITIVE SOCIAL CHANGE



Contributing to local communities



Creating positive social change



Creating positive social change by building local communities, empowering Aboriginal people and eradicating modern slavery in the supply chain.

Creating opportunities for Aboriginal people

Opportunity

- Empower Aboriginal people through engagement and by using Fortescue's influence and resources to create generational change in the lives of Aboriginal people.

As part of the regional and remote communities in which it operates, Fortescue collaborates to create shared value and shared expectations. The Company is in the privileged position of being able to empower individuals with the capability and capacity to effect positive change in some of Australia's most socio-economically disadvantaged communities, and in particular, Aboriginal communities.

Fortescue is proud of its positive approach to engaging with Aboriginal people and providing access to training, employment and business opportunities.

Fortescue has comprehensive Land Access Agreements (LAA's) with seven native title groups across the Pilbara. The LAAs are at the heart of Fortescue's commitment to creating positive social change. They reflect the Company's approach to working in partnership to create a sustainable future through training, jobs and business development opportunity, and underpin the many strategies and programs delivered across local communities.





Overview
Operating and Financial Review
Fortescue's approach
Engaging with stakeholders
Setting high standards
Creating positive social change
Safeguarding the environment
Corporate Information

Creating positive social change

Building business capabilities

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 50 per cent of the number of contracts awarded to businesses with more than 50 per cent Aboriginal ownership

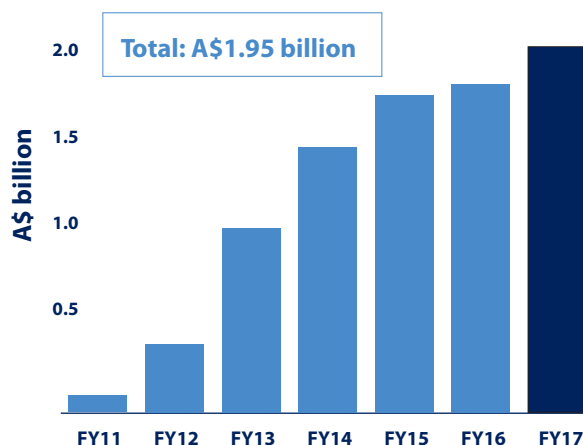
Billion Opportunities

Fortescue's Billion Opportunities program commenced in 2011 as an initiative to generate business opportunities for Aboriginal people. It forms a critical element of Fortescue's approach to ensuring economic opportunity and participation is the key benefit to flow from Native Title agreements.

Strong, sustainable businesses create more employment and development opportunities for Aboriginal Australians. Fortescue works closely with its stakeholders to build capability and skills in businesses owned wholly or partially by Aboriginal people.

The Company is also committed to spending a portion of its procurement budget with Aboriginal businesses. In FY17, Fortescue spent approximately A\$200 million with 54 Aboriginal businesses. This represents six per cent of the total annual procurement spend. Through the Billion Opportunities initiative, Fortescue awarded or extended 17 contracts with Aboriginal businesses in FY17 with a value of more than A\$199 million. Of these, 53 per cent were with Aboriginal businesses that have an ownership greater than 50 per cent.

Value of contracts awarded annually



Since its inception, Billion Opportunities has awarded 244 contracts, sub-contracts and new works worth A\$1.95 billion to 105 Aboriginal-owned businesses and joint ventures, with a particular focus on Traditional Owner involvement. The Billion Opportunities Program has been independently assured twice since it commenced in 2011.

Spend per year against Iron Ore Price





Supply Nation's 2017 Supplier Diversity Awards

CASE STUDY

Fortescue was recognised for its ongoing commitment to supporting and investing in sustainable Aboriginal businesses at Supply Nations 2017 Supplier Diversity Awards. The Company won the Corporate Member of the Year and Outstanding Impact Award.

A\$1.95 billion
contracts

17 contracts
awarded or extended
to Aboriginal businesses in FY17

244

contracts, sub-contracts
and new works

to Aboriginal-owned businesses and joint ventures
focussing on Traditional Owner involvement

CASE STUDY

RED DIRT
TRANSPORT SERVICES

Red Dirt Transport Services by Centurion

Fortescue's partnerships

In FY17, Fortescue partnered with Centurion to create a significant opportunity for an Aboriginal-owned business in the Pilbara, with a sub-contract awarded to Red Dirt Transport Services by Centurion for fuel delivery to Fortescue's Pilbara-based operational sites.

In a nod to their Aboriginal heritage, Red Dirt Transport Services commissioned Yindjibarndi artist Allery Sandy to design the new vehicle's livery. Director Stephen Dhu said the contract provided significant growth opportunities for the business and allowed the team to implement its strategies for Aboriginal employment and participation.

"We are proud that we are able to provide meaningful socio-economic development in the Pilbara with the support of companies like Fortescue and Centurion," Mr Dhu said.



Employment opportunities for Aboriginal people

Objective

- Train, employ and develop Aboriginal people within Fortescue and its contractor partners

Target

- By 2020, achieve an employment rate of 20 per cent for Aboriginal people across Fortescue
- By 2020 achieve an employment rate of 10 per cent for Aboriginal people in leadership roles
- By 2022 achieve an employment rate of 20 per cent for Aboriginal people in skilled-trades

Fortescue has a proud history of championing Aboriginal employment in its workforce and providing job opportunities to Aboriginal people.

The Company currently employs 835 Aboriginal people, representing 15.8 per cent of the total workforce. The total number of Aboriginal people working on Fortescue sites is 1,250 which includes contractors.

This is leading the way in Aboriginal employment of large mining Companies in Australia. Fortescue's contractors employ similar proportions of Aboriginal people.

15.8%

Aboriginal employment
including labour hire

1,250 Aboriginal people

working on Fortescue sites including contractors

Creating positive social change

Promoting Aboriginal employment

A range of development and support initiatives are available to assist Aboriginal people in transitioning from education and gaining employment with Fortescue.

Fortescue's Aboriginal engagement initiatives prioritise practical solutions for supporting Aboriginal people in the workplace. The objectives for FY17 and progress against these are summarised below.

Objective	Progress										
Promote Aboriginal participation, with a target of 20 per cent by 2020	- Fortescue currently employs 835 Aboriginal people, 15.8 per cent of the total workforce. The total number of Aboriginal people working on Fortescue sites is 1,250 which includes contractors. - Fortescue will continue to enhance its programs and initiatives to meet its 2020 targets.										
Build talent pools through opportunities within Fortescue's programs for Aboriginal people	45 people completed VTEC training in FY17 66 apprentices and 24 Trade Up trainees were employed during FY17. 88 per cent of Trade Up employees were Aboriginal.										
Create a workplace which supports Aboriginal employment	- Key programs supporting Aboriginal employees: - Fortescue's Trade Up - Cultural awareness training of all employees - Leadership and Excellence in Aboriginal People program (LEAP) - Regional FIFO - CEO for the Day program - Aboriginal development team support - Housing support - Aboriginal health program.										
Provide family support options including organising family site visits and implementing a plan for community based family support	- All Fortescue sites hosted family visits during FY17 with total numbers detailed below: <table border="1"> <thead> <tr> <th>Location</th><th>Total number of visitors</th></tr> </thead> <tbody> <tr> <td>Port and Rail</td><td>94</td></tr> <tr> <td>Cloudbreak</td><td>75</td></tr> <tr> <td>Christmas Creek</td><td>105</td></tr> <tr> <td>Solomon</td><td>96</td></tr> </tbody> </table> - The following key Aboriginal community based programs were supported during FY17: - Hedland Trade Training Centre - Community Support Grants - Roebourne High School Working Bee - Jawun - Big hART - National Indigenous Hockey Program - Hedland Women's Refuge - Mingle Mob.	Location	Total number of visitors	Port and Rail	94	Cloudbreak	75	Christmas Creek	105	Solomon	96
Location	Total number of visitors										
Port and Rail	94										
Cloudbreak	75										
Christmas Creek	105										
Solomon	96										
Promote opportunities for Aboriginal employees to move into LEAP program, Aboriginal leaders and CEO for the Day program.	- During FY17, 10 Aboriginal employees participated in the LEAP program - Three Aboriginal employees participated in the CEO for the Day program. - Four Aboriginal women completed the career resiliency program.										

Creating positive social change

VTEC celebrates first all-female graduation



Fortescue celebrated a significant milestone in June, with VTEC's first all-female class graduating. All nine trainees had to overcome barriers to achieve their goals to start their new careers at Christmas Creek operations

**8 skills assessment
workshops held**

45 people completed training
and offered employment

48%
female participants

2 locations
Roebourne and South Hedland

Vocational Training and Employment Centres (VTEC)

Fortescue's Vocational Training and Employment Centre (VTEC) program commenced in 2006. It breaks the cycle of intergenerational unemployment by providing a guaranteed job for anyone who successfully completes the training program. This simple philosophy is the single most important factor behind VTEC's success.

Through VTEC, Aboriginal people receive pre-employment training as well as access to support programs designed to assist them in overcoming a range of issues that would otherwise prevent their entry to the workforce such as health and wellbeing concerns and qualifying for a drivers licence.

Since its inception, VTEC has supported more than 1,500 Aboriginal people through employment, driving lessons, resume creation, accommodation, personal development and self-esteem building.

In 2014, the Federal Government committed to building a national VTEC network, based on Fortescue's model. This has supported 5,000 job opportunities for Aboriginal people through its centres.

VTEC's Fresh Start program guarantees low-risk Aboriginal prisoners at Roebourne Prison in the state's north-west a full-time job after completing vocational training courses commenced while in prison. After successfully completing the course and upon release, the trainees enter a two-week, site-based training program and are guaranteed a job on graduation, empowering them to take control of their lives.

"I know other single mothers who are already part of the Fortescue family and they gave me the determination to give it a go and push me towards a better future for my daughter and I."

New graduate and single mother, Narelle Dhu, Christmas Creek

Creating positive social change

Five Star

Targeted at Aboriginal people, Fortescue's Five Star program consists of five education and professional development initiatives:

• Up4It

Fortescue has supported RoleModels Australia in the delivery of the Up4It program for almost a decade. Designed to attract students back to school as well as reward those with good attendance in remote communities of the Pilbara, each year, the program visits 600 to 800 students on country

• Traineeships

School-based traineeships provide an opportunity for secondary students to work with Fortescue to complete a Certificate II course. Two students were enrolled in this program during FY17

• Aboriginal Cadetship program

Secondary school students are able to access this program which provides mentoring, training and professional development opportunities. Cadets are offered direct entry to the Graduate Program or the opportunity to apply for permanent employment upon completion of their studies. Three students were enrolled in this program during FY17

• Graduate program

Aboriginal secondary school or University graduates are employed for two years to complete a structured program with exposure to a range of departments across Fortescue. During FY17 Fortescue had one female graduate participate in this program

• Fortescue's vacation student program

Aboriginal University students are supported in completing work experience during their holidays. Three students were enrolled in this program during FY17.

Career development and support

Building a supportive culture

Fundamental to the provision of meaningful employment is the ongoing development of Fortescue's Aboriginal workforce through training and professional development, and a workplace culture that understands and champions Aboriginal participation.

Fortescue has a range of programs which actively work to build a culture among the entire workforce that is openly supportive of Aboriginal employment:

- All new employees and contractors are required to participate in a general induction process that incorporates a component on engaging with Aboriginal people to thrive
- All employees are required to complete a specific Aboriginal cultural induction, which is carried out by local Aboriginal Traditional Owners
- Fortescue's business-wide reward and recognition program, Northern Spirits, has a category devoted to recognising people who are helping to close the gap by supporting Aboriginal development
- The Company's primary leadership development training is a three and a half day program. Half of one day is devoted to training leaders on how to manage Aboriginal employees
- Fortescue celebrates significant Aboriginal cultural events during the year, including NAIDOC week
- Aboriginal Development Superintendents and Coordinators are based on each site with the principal role of training and supporting Aboriginal employees and supervisors
- Fortescue is a member of the Jawun Program in which Fortescue employees undertake secondments to remote communities in the East Kimberley to support Aboriginal organisations.



Creating positive social change

MEET

Lincoln Aubrey

Trade Assistant, Aboriginal Development

Lincoln commenced his journey with Fortescue through the VTEC program in Port Hedland. Once completed, Lincoln transferred to Christmas Creek and joined the site-based training program 'Developing Solid Pathways'. He quickly adapted to the work and impressed everyone

with his attitude and willingness to learn. Lincoln's drive and enthusiasm led to more opportunity, and he was successful in his application to join Fortescue's 'Trade Up' program. He is now an apprentice working towards becoming a qualified Auto Electrician.

"Trade Up gives me the unique opportunity to become a fully qualified tradesperson within the mining industry."

Supporting Aboriginal leaders

Fortescue believes Aboriginal leaders are essential to ensuring a culture that truly supports Aboriginal people, and is key to creating generational change in Aboriginal communities. The Leadership and Excellence in Aboriginal People (LEAP) was established in 2015 to support Aboriginal employees with leadership aspirations.

LEAP is a 12-month formal training program that includes off-site education, practical on-site development, internal mentoring, Aboriginal leadership education and business leadership training. To date, 22 Aboriginal people have participated in LEAP, with up to 12 candidates selected each year.

Inspired by GenerationOne's CEO for the Day competition, Fortescue's CEO for the Day initiative sees CEO Nev Power, host an aspiring Aboriginal leader for the day at each quarterly results release. During FY17, three aspiring leaders were hosted as CEO for the Day.

Fortescue's Trade Up

Fortescue's Trade Up is an award-winning initiative that provides a pathway to an apprenticeship for Aboriginal employees. Supported by Fortescue's contractor partners Thiess, Goodline and Eastern Guruma Wirlu-Murra Yindjibarndi Joint Venture, there are currently 72 Aboriginal people undertaking a traineeship or apprenticeship as a result of the program.

**22 Aboriginal
LEAP participants**

**3 Aboriginal
CEO's for the day in FY17**

**72
Aboriginal**
undertaking a
traineeship or
apprenticeship



MEET

Phonz Taylor

Document Controller

A Noongar man from Perth, Phonz has been with Fortescue for one-and-a-half years. He started his career working at Fortescue Centre's reception and recently moved into the Document Control team in Perth.

The Document Control team is responsible for monitoring Fortescue's corporate, project and operational documentation, ensuring they are safely numbered, stored, sorted and accessible.

"Working at Fortescue has provided me with many opportunities and I've had lots of support from my co-workers. I really have come to believe in the Fortescue family value."

Personal and family support

Fortescue's training and employment programs are complemented by initiatives designed to overcome the many barriers faced by Aboriginal people in securing and maintaining work.

To cater for the health issues faced by its Pilbara Aboriginal workforce, Fortescue employs a full-time Aboriginal health nurse. As well as supporting Aboriginal people to successfully enter VTEC, the health nurse helps existing employees live a healthy lifestyle.

In 2017, the Aboriginal health program commenced with a vision to proactively improve the health of Fortescue's Aboriginal workforce. The program deals with critical health issues such as quitting smoking and managing weight.

Fortescue is the only Pilbara-based mining Company with flights in and out of all mine sites to major Pilbara communities. This allows Aboriginal people to remain on country, with their families and access the employment opportunities created by a remote mining operation. Flights depart from Karratha, Port Hedland, Broome and Fitzroy Crossing.

In FY17, all Pilbara-based employees were eligible to receive housing support and entitlements. Currently, 220 Aboriginal employees are accessing Fortescue owned and leased properties. The Company spends over A\$11 million annually on housing support for Aboriginal employees who reside in the Pilbara and surrounds.



Creating positive social change

Fortescue is committed to working with stakeholders to enable generational change for Aboriginal people.

Addressing Aboriginal disadvantage

Objective

- Increase engagement with Governments, corporate Australia, non-government organisations and industry peers to address Aboriginal disadvantage

Target

- Annual involvement in the policy debate to address Aboriginal disadvantage

Objective

- Empower Aboriginal corporations and develop partnerships to address key challenges facing communities, with a focus on education and young people

Target

- Annually, deliver at least two major community projects with ILUA partners

Fortescue believes that its operations provide a unique opportunity to empower Aboriginal people and help bring generational change in their communities.

As an industry leader in Aboriginal engagement, employment and business development, Fortescue participates in a wide range of industry organisations and global bodies including:

- Member and active participant in Business Council of Australia's Industry Network
- Member and active participant in AMEC's Native Title and Aboriginal Heritage Committee
- Membership and active participant in Business Council of Australia's Indigenous Taskforce. CEO Nev Power, sits on this taskforce
- Active participant in Supply Nation's Leadership Round Table discussions
- Vocational Training and Employment Centre Advisor.



Stephen Dent, Advanced Processed Operator at Port

Stephen Dent, Advanced Processed Operator from Port, was one of two Fortescue employees to participate in Fortescue's first Jawun program, in May 2017. Jawun places skilled people from Australia's leading companies and Government agencies into Indigenous organisations to

share their expertise and support Indigenous leaders achieve their own development goals.

Stephen spent five weeks in Wyndham and helped support Ngnowar Aerwah set up its human resources management systems, as

well as help with an Indigenous hip-hop project. He said it was interesting to see how the community carried out their work while maintaining their culture and encouraged everyone at Fortescue to put their hand up for future Jawun secondeeships.



Mine Controller Advanced, Mine Systems Operations

Kellie is a Mine Controller for Cloudbreak at the new Integrated Operations Centre (IOC) in Perth. She is a proud Nyiyaparli woman who is of Aboriginal and Torres Strait Islander descent and has been with Fortescue for five years. Kellie first entered the

business through the VTEC program as an operator. She believes the program is beneficial because it provides the opportunity to make a better life for the participant and their family. Kellie's primary role is dispatching the fleet to ensure the

mine plan is met every 24 hours in the safest, most efficient and cost effective manner possible. Kellie also fills in for the supervisor role as required and believes the LEAP program has provided invaluable support during her career.

Partnerships with Aboriginal corporations

Addressing key challenges facing Aboriginal communities is the focus of Fortescue's partnerships with Aboriginal corporations. Fortescue has established two key partnerships in FY17, focussed on young people in Roebourne and building the capacity of Aboriginal organisations and communities. These partnerships have delivered two key projects that focus on Aboriginal education and young people.

The WMYAC have identified young people in Roebourne as a key focus for their organisation. During FY17, WMYAC and Fortescue partnered with Big hART. Established 25 years ago, Big hART is a not-for-profit, non-government organisation that delivers social change programs through the arts and media. With Fortescue's support, Big hART is delivering an Aboriginal youth workshop program focussed on family violence

prevention, generational change, connection to culture and engagement in education in Roebourne.

Jawun is a program focussed on building the capacity of Indigenous people by placing skilled individuals from Australia's leading companies and government agencies into Indigenous organisations. These secondees share their expertise and support Indigenous leaders to achieve development goals for the community.

Fortescue joined the Jawun Program in January 2017 and sent two secondees to the East Kimberley region for a six-week placement. Fortescue will work with Jawun to increase the number of secondees participating in secondments in FY18.

Creating positive social change

Fortescue's vision for the Pilbara includes building towns into vibrant and sustainable communities. To that end, Fortescue is committed to ensuring communities benefit from its growth and development by creating economic opportunity.

More than 98%
procurement spend in Australia

14 day payment
terms introduced

456 employees
received housing support in FY17

524 employees
based in the Pilbara

Building Communities

Objective

- To create economic opportunities in the regions where Fortescue operates through engagement with local businesses, local employment and the residential workforce

Target

- Annually, achieve, at least five per cent of actual spend, with local Pilbara suppliers
- By the end of FY17, implement new payment terms for Pilbara based and small businesses
- By the end of FY18, update the approach to local employment and residential workforce



Payment terms have been raised as a key barrier to building sustainable businesses, in particular for Aboriginal-owned and Pilbara-based subcontractors.

In an effort to remedy this, Fortescue initiated a new 14-day from invoice payment term for Pilbara-based small business and Aboriginal businesses nationally.

CEO Nev Power, said the new payment terms are part of an ongoing commitment to ease the pressure on small business and Aboriginal suppliers.

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

Local procurement

In FY17, Fortescue spent over 98 per cent of its total procurement spend within Australia – 68 per cent within Western Australia and six per cent directly in the Pilbara. While the total amount of expenditure has decreased due to insourcing activities focussed on reducing total spend, Fortescue's approach to local employment and a residential workforce ensures procurement levels within local communities is maintained.

To ensure continued local expenditure, Fortescue's procurement teams will focus on a number of projects in FY18 including:

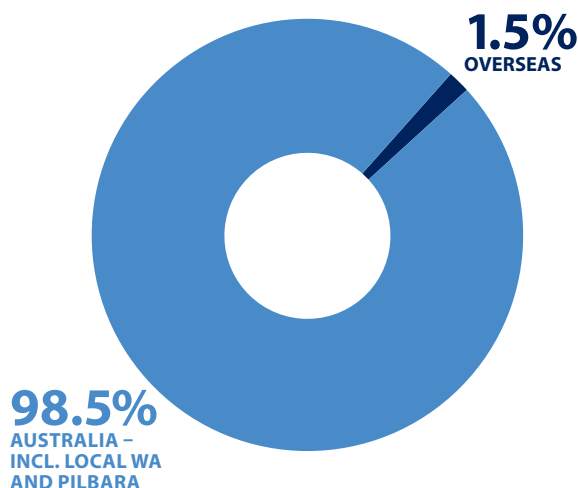
- Investigating the possibility of moving rotatable repair activities from Perth to the Pilbara
- Purchasing conveyor belts from a local manufacturer.

Fortescue recognises the need to build towns in the Pilbara into communities that will attract and retain a mining workforce and their families.

Fortescue also supports a regional fly-in fly-out workforce from Port Hedland and Karratha, boosting the number of Pilbara based employees. 524 employees are based in the Pilbara, 456 of which receive housing support.

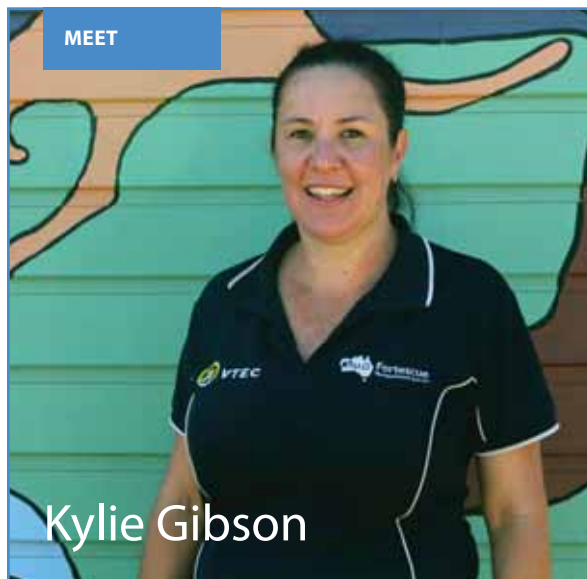
With over 350 of those employees based in Port and South Hedland, the majority of Fortescue's Pilbara residential workforce, the Company provides support for community facilities and events delivered by the Town of Port Hedland at the impressive Wanangkura Stadium recreational facility and the popular annual North West Festival.

Procurement spend in Australia*



NB: Only includes contestable spend. Contestable spend excludes shipping, Government costs and charges, Native Title payments, property leasing, related Fortescue entities and legal fees.

Creating positive social change



Kylie Gibson

Superintendent Aboriginal Development Projects

Kylie has been with Fortescue for three and a half years, based in the Roebourne area. With nearly 20 years of experience in education, training and employment for Aboriginal people, she is passionate about providing opportunities and improving the employment opportunities for Aboriginal people in an empowering and sustainable way.

"A favourite part of my job is the local people I get to work with in the community. Some have had really hard lives, but continually want better things for themselves and their family, and they are the people I love working with."

Community Investment

Objective

- Ensure Fortescue's community investment program is strategic and delivers value to communities

Target

- By the end of FY18, review and update the community investment strategy

Fortescue's success and social licence to operate relies on proactive and transparent engagement with communities and stakeholders.

Fortescue seeks to empower these communities through the application of social, environment, infrastructure, people-focussed programs and investment. The Company collaborates with key stakeholders to determine the best fit for strategic partnerships that deliver meaningful outcomes and generate significant value to the community.

In its ninth year, Fortescue's biannual community grant program continues to provide eligible organisations up to A\$5,000 in funding to support a variety of community initiatives that benefit the Pilbara.

Fortescue provided A\$145,000 to over 70 community, sporting and non-profit organisations in the Pilbara delivering a range of beneficial programs, activities and outcomes to the local community.

The initiatives are focussed on:

- Education and training
- Aboriginal engagement
- Health and wellness
- Community safety and involvement
- Economic development
- Arts and culture
- Environmental responsibility.

In FY18, Fortescue will conduct community and residential workforce surveys to ensure the community investment strategy aligns with strategically identified outcomes for internal and external stakeholders.

Fortescue employees will also have greater opportunities to participate in philanthropic and giving activities through the delivery of the Employee Giving Program in FY18, which will enable team members to make contributions to nominated charities through the Fortescue Foundation – a registered charity that will act as the vehicle for new giving initiatives at Fortescue.

9 years
community grant support

Over 70 community organisations
supported by community grants in FY17

Earbus Foundation of Western Australia

CASE STUDY

The Earbus Foundation of Western Australia was the successful recipient of a A\$3,800 community grant for its Healthy Ears for Life project, which provides comprehensive ear screening to Aboriginal children.

Fortescue also provided Qantas flights to the value of A\$30,000 to facilitate specialists visiting the Pilbara.

The Pilbara Earbus visits urban communities and playgroups in Hedland as well as remote communities of Strelley, Warralong and Yandeyarra in partnership with Wirrkaka Maya Aboriginal Health Service.

By working in partnership with schools, daycares and kindergartens, the Foundation has developed a model of continuous care.

Community partnerships

Fortescue's partnership with the South Hedland Swans Australian Rules Football Club continues and at a national level, the Company is a major sponsor of the national men's and women's Australian hockey teams, the Kookaburras and the Hockeyroos.

Under the umbrella of the National Indigenous Hockey Program, Fortescue works with Hockey Australia to deliver the Pilbara Community Hockey Program to 11 schools and two local hockey associations. Through this program, members of the Kookaburras and Hockeyroos host hockey workshops with positive messaging in their capacity as national role models and elite athletes.

Complementing the school workshop delivery is the Indigenous Pathways function, which provides funding support and assistance for Indigenous children with the potential to engage in professional level hockey, and the Community Outreach function where Kookaburras and Hockeyroos players participate in community events such as the Roebourne Working Bee.

In August 2016, Fortescue held the annual Working Bee at Roebourne District High School. Fortescue employees and friends volunteered their time to work with community members in upgrading and maintaining the school yards. The sixth annual Working Bee will take place in August 2017.

Hedland Senior High School Trade Training Centre

Fortescue believes good educational opportunities are key to strengthening and building regional communities. The Company continues to be an operational sponsor of the Hedland Senior High School's Trade Training Centre.

The Centre provides students with a pathway to employment in the mining industry and other industries requiring trade qualified students. In FY17, Fortescue hosted the students at its Port Hedland port operations during work placement week and for the maiden arrival of ore carrier, FMG Sydney into Herb Elliott Port.

Young Australian Art and Writer's Awards: Pilbara Region

In FY17 Fortescue continued its support of the Young Australian Art and Writers' Awards: Pilbara Region which was delivered to eight Pilbara schools, including several remote community schools. The program aims to develop literacy, teach creativity and increase school attendance levels with a view to addressing the broader concern of child suicide rates in remote communities.

Recognising White Ribbon Day

CASE STUDY

"At Fortescue, we believe we have a responsibility as an industry leader to demonstrate leadership on the important issue of domestic and family violence in our workplaces and in the wider community," Mr Power said.

In 2016, Fortescue entered into a five-year partnership with the Hedland Women's Refuge to provide some direct operational funding and help to upgrade the outdoor recreation area. The refuge provides crisis accommodation

and holistic programs to women and children escaping family and domestic violence. Fortescue stands together with the refuge and participates in annual White Ribbon Day events, in recognition of the need to eliminate

family violence in communities. White Ribbon Ambassadors, CEO Nev Power and Director Operations Greg Lilleyman, are both committed to building greater equality and respect between men and women.

Mingle Mob

Fortescue is proud to support the Youth Involvement Council (YIC) program, Mingle Mob, in South Hedland. An outreach program aimed at reducing antisocial and criminal behaviour, Mingle Mob run a bus that picks up at-risk youth off the streets and takes them to a safe shelter.

Ronald McDonald House

Fortescue continues to foster a strong partnership with Ronald McDonald House, which provides emergency accommodation to regional families with children needing medical treatment in Perth.

In FY17, Fortescue continued its investment in the Stronger Together capital campaign in addition to employees making significant contributions through a variety of fundraising activities. Through participation in the annual Central Park Plunge in FY17, a major fundraising event for Ronald McDonald House, Fortescue's 24-member team raised over A\$67,000.

CASE STUDY



Western Force and the Yandeyarra Remote Community School

Fortescue's safety team was joined by the Road Safety Western Force in June to share road safety messages with students at Yandeyarra Remote Community School.

Students created artworks promoting road safety messages in the one day session, which will be displayed along Fortescue's rail access road. Students also enjoyed a barbecue lunch and a rugby clinic with Force players Jono Lance and Ben Daley.

Fortescue has been supporting students at Yandeyarra Remote Community School for the past nine years through the delivery of the Up4It school program, which is designed to improve the attendance rates of Aboriginal school children.

Fortescue has been a jersey sponsor of the Western Force since 2014, supporting club legend Matt Hodgson.

MEET

Rebecca Alston



Senior Community Advisor, Government and Community

Bec is responsible for developing and implementing Fortescue's community engagement strategies and initiatives.

She oversees the operation of the South Hedland Community office and manages a diverse portfolio of community partnerships and programs, corporate sponsorships and employee fundraising activities.

"We always try to think outside the box to see who we can collaborate with, or what innovations we can come up with, to deliver meaningful outcomes for the community. We pride ourselves on not having a 'cheque-book' mentality, and always look for solutions that deliver best value for both the business and its stakeholders.

I particularly enjoy witnessing first-hand the enthusiasm of the Fortescue family when it is time to get behind a particular cause or charity – they are a generous bunch and are always willing to lend a helping hand."

Fortescue is committed to respecting and upholding the human rights of every individual, at a minimum those protected by the Universal Declaration of Human Rights.

Respecting human rights

Opportunity

- Contribute to the end of modern slavery by ensuring Fortescue's business and supply chain is free from all forms of forced labour and the abuse of human rights

How businesses manage human rights issues is an area of growing interest among stakeholders. The protection of the rights of Fortescue's employees and those working within the supply chain is a priority. The Company has a significant role to ensure that the rights of Indigenous people within the areas where the Company operates, are protected.

Fortescue is committed to respecting and upholding the human rights of every individual, at a minimum those protected by the Universal Declaration of Human Rights. The Company acknowledges the 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework (2011)' and actively works to ensure it is not complicit in human rights abuses committed by others.

The foundation documents for human rights protection are Fortescue's Human Rights Policy and Code of Conduct, which establish the essential standards of personal and corporate conduct and behaviour expected of everyone who works for or with the Company, including directors, employees, contractors, suppliers and business partners. These documents are available at www.fmgil.com.au

Fortescue's commitment to respecting the rights of Indigenous people is embedded within its Human Rights Policy which states that 'We acknowledge the UN Declaration on the Rights of Indigenous Peoples and respect the human rights principles it embodies including the principle of Free, Prior

and informed Consent (FPIC)'. The Company also recognises the International Council on Mining and Metals Position Statement, which notes that in applying the concept of FPIC, the emphasis for companies should be in implementing engagement processes that seek to secure the consent of traditional Indigenous landowners to undertake mineral exploration and development on their traditional lands. In an Australian context, this means the implementation of genuine engagement processes under Australian laws like the Native Title Act.

Fortescue complies with Australian law at all times and strives to obtain FPIC wherever possible. Through this approach seven land access agreements have been reached and strong relationships with Traditional Owner groups across the Pilbara and beyond have been forged. More information on Fortescue's land access agreements can be found under Longstanding Partnerships.

The Audit and Risk Management Committee, a subcommittee of the Fortescue Board of Directors is responsible for monitoring and overseeing all sustainability matters including Human Rights, Risk Management and the Whistleblower hotline.

Creating positive social change

Fortescue’s supply chain

Fortescue has contractors and suppliers that provide products and services in areas including energy, fixed plant and commodities, mobile fleet and capital.

Suppliers must adhere to a robust procurement and supply chain management framework and the Company works closely with its suppliers to ensure value for money, maximum supplier performance and achievement of corporate objectives. The framework also ensures that supply chain risks are identified and adequate mechanisms are in place to manage them.

A rigorous due diligence process is also in place for suppliers, contractors and partners to ensure their compliance with Fortescue’s Code of Conduct, policies and standards on human rights, ethical, environmental, health and safety matters.

In FY17, 1,808 suppliers were engaged with a total spend of A\$3,300 million (GST inclusive).

Over 98 per cent of Fortescue’s total procurement spend was within Australia including a considerable proportion within Western Australia and the Pilbara region. In FY17, Fortescue spent A\$16.288 million with 45 Chinese suppliers.





Creating positive social change

The Company implements a rigorous due diligence process to ensure suppliers, contractors and partners comply with Fortescue's policies and standards on human rights, ethical, environmental, health and safety matters.

Ending slavery in Fortescue's Supply Chain

Objective

- Fortescue suppliers commit to uphold Company standards on human rights, ethical conduct, environment and community

Target

- Annually, source 100 per cent of procurement through compliant suppliers
- By the end of FY18, complete audit of high risk suppliers

Fortescue has a zero tolerance for modern slavery, forced or child labour in its supply chain. Business-wide policies and processes prevent, detect and remedy instances of human rights abuse within Fortescue's operations, and the operations of its suppliers and business partners.

All of Fortescue's suppliers are subject, as a minimum, to the Company's standard terms and conditions, which outline clear requirements to ensure no forced labour or slavery and that minimum standards on environmental, ethical and health and safety are met.

The Company implements a rigorous due diligence process to ensure suppliers, contractors and partners comply with policies and standards on human rights, ethical, environmental, health and safety matters.

In FY17, thorough processes and due diligence determined the following:

- 100 per cent of procurement was sourced from compliant suppliers
- No high risk suppliers were on-boarded during this period. One potential supplier was identified as being at high risk and an alternative supplier was selected
- 100 per cent of all new contracts and agreements include human rights clauses

- 100 per cent of all potential and eventual suppliers were assessed using human rights risk assessment software, to flag and identify any risks during due diligence and/or prior to on-boarding
- No suppliers or operations were identified as having a significant risk for incidents of child labour or young workers exposed to hazardous work according to type of operation or region of operation
- No suppliers or operations were identified as having a significant risk for incidents of forced or compulsory labour according to type of operation or region of operation
- No suppliers were identified as having the potential to violate the right to freedom of association and collective bargaining
- No suppliers were identified as having significant actual or potential negative impacts for labour practices
- 100 per cent of current and potential suppliers were subject to Human Rights Impacts Assessments and underwent screening on human rights, environmental, ethical and health and safety matters

Fortescue was named one of the ten leading companies in the 2016 Stop Slavery awards.

Creating positive social change

Meeting global standards

Objective

- Fortescue is compliant with global standards on business and human rights and takes a leading role in the Australian business community on human rights

Target

- By mid FY19, complete a human rights assessment across the business
- Annual, active engagement on human rights issues in business

Fortescue considers human rights risks and potential impacts within multidisciplinary Company-wide risk management processes and via specific human rights risk management processes. The risks and mitigation measures are captured in Fortescue's risk register.

The Company has determined the greatest potential for human rights impacts on its operations falls within the following areas:

- Slavery within the supply chain
- Respecting the rights of Indigenous people
- Occupational health and safety
- Employee working conditions.

Various mechanisms have been developed and implemented to minimise and mitigate these impacts. All three mines sites and associated rail and port operations were considered in these assessments, representing 100 per cent of current operations.

Building on this foundation, Fortescue has commenced a formal due diligence process to further identify, prevent, mitigate and account for impacts to human rights in all areas where the Company operates.

This assessment will be completed over the next 12 to 18 months in consultation with affected stakeholders and with the assistance of human rights experts.

CASE STUDY



Establishing a modern slavery act in Australia

An estimated 45.8 million people are subjected to conditions of forced labour and slavery. Some of these people work within the supply chains of companies that provide food, clothing and other goods purchased in Australia.

In May 2017, Fortescue made a submission to the Federal Government's Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into whether Australia should adopt a modern slavery act.

Fortescue supports the establishment of a modern slavery act and believes

that the development of a strong legislative framework will lead to significant advances in the prevention of modern slavery in Australia and within the supply chains of businesses and organisations that operate in Australia and overseas.

A strong framework will provide better protection to the victims

of modern slavery and promote transparency on corporate actions to address slavery in supply chains.

A copy of Fortescue's submission and those from other bodies can be found at www.aph.gov.au



Fortescue has a robust training and development program in place to ensure staff and contractors understand Company policies and standards. Training is dependent upon work area however, all staff must complete a number of general modules that incorporate human rights matters.

All of Fortescue's security personnel, including contractors, operating at Company sites in the Pilbara, have completed general inductions that include formal training on the human rights policies and standards.

The Company has a number of mechanisms that allow for the remedy of human rights grievances for both internal and external stakeholders including:

- The 'Speak Up' program and the Whistleblower Management and Protection Standard which provides a confidential channels for employees, Directors, contractors, business partners, employees and contractors to share their concerns about any labour and work related issue including safety, bullying and harassment
- External Stakeholder Grievance Procedure which ensures all grievances are managed in a systematic, fair, timely and transparent manner.

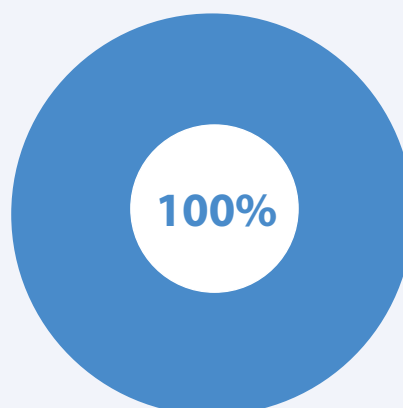
No grievances regarding labour practices were filed through Fortescue's formal grievance process during FY17. This is consistent with zero grievances on labour practices in FY16.

Active engagement

During FY17, Fortescue engaged with government and business through the UNGC and other mechanisms. Key engagement included:

- Participation in discussions to determine if Australia should implement a modern slavery act
- Attendance and presenting at events of the UNGC on a range of topics including business and human rights, modern slavery and assessment software.

100% procurement
sourced through compliant suppliers



OF SUPPLIERS ASSESSED AGAINST
HUMAN RIGHTS ASSESSMENT SOFTWARE

SAFEGUARDING THE ENVIRONMENT



Protection for the future



Safeguarding the environment

Safeguarding the environment for future generations

Safeguarding the environment by protecting biodiversity, managing water resources, reducing Greenhouse Gas emissions and waste.

Environmental protection

Fortescue is committed to safeguarding the environment for future generations through responsible environmental management. The Company takes a precautionary approach to environmental matters and continues to invest in initiatives and technologies to minimise environmental impacts.

Compliance with all relevant environmental laws and obligations is the absolute minimum standard to which Fortescue operates and the minimum requirement against which the Company measures environmental performance.

Fortescue's Environment Policy reflects the Company's commitment to continually improve environmental performance. The policy is signed by the CEO and is supported by Fortescue's Board.

Fortescue's Environmental Management System (EMS) ensures that commitments and activities reflect the ICMM and UNGC principles and align with the requirements of ISO14001 International Standard for Environmental Management Systems. The EMS is underpinned by a team of environmental professionals based at each operational and project site.

Continuous improvement is a critical component of the EMS and is achieved through robust due diligence and governance that includes performance monitoring, monthly reporting to senior management, quarterly reporting to the Board and quarterly environmental management review meetings.

Fortescue has a strong understanding of the potential impacts of its operations and works closely with stakeholders including government agencies, Traditional Owners and the general community to ensure appropriate actions are in place to minimise and mitigate these impacts. Potential impacts are identified and considered through a systematic risk assessment process and a vast hierarchy of controls are implemented to ensure that risks are managed.

Environmental Improvement Plans (EIPs) are established for all high risk aspects to ensure all opportunities for improved environmental outcomes are achieved. The effectiveness of Fortescue's environmental controls for high risk aspects are audited annually to identify opportunities to further reduce the consequence or likelihood of occurrence of environmental impacts.

All employees receive induction training outlining their responsibility to comply with the Environment Policy. Specific training for managers and supervisors provides in-depth education relating to compliance with environmental legislation. Environmental personnel at operational sites and projects also deliver targeted training to the workforce to ensure that environmental matters are well understood.



"I'm proud to say that I work for Fortescue, every day is a new challenge and an opportunity to make a difference. This is unlike any other business I've ever worked for."

Adam Meyer, Port and Rail Environment Superintendent



To leave a positive legacy for future generations by protecting biodiversity, managing water responsibly and reducing waste.

Protecting biodiversity

Objective
• To take responsibility for Fortescue’s disturbance by protecting biodiversity in the regions where the Company operates
Target
• Achieve a net positive impact on biodiversity

Fortescue acknowledges and values the unique biodiversity of the Pilbara region and is committed to safeguarding biodiversity through responsible environmental management.

The Company employs internal biodiversity experts and contracts biodiversity consultants to survey and monitor its operations and surrounding environments. The findings from these programs, as well as the outcomes of research are integrated into environmental management plans and procedures to ensure that ongoing review and improvement is embedded in Fortescue’s management and decision making processes.

The Company actively manages impacts to fauna classified as significant under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)*, the *Wildlife Conservation Act 1950* and the International Union for Conservation of Nature (IUCN) Red List.

Species classified as significant that have the potential to be impacted by Fortescue’s operations include the Night Parrot and the Northern Quoll, listed as endangered under both the EPBC Act and the IUCN Red List and the Ghost bat, Greater Bilby, Pilbara Olive Python and the Pilbara Leaf-nosed bat which are listed as vulnerable under the EPBC Act.

A series of mitigation and management objectives are designed to minimise impacts to significant fauna. These include:

- Identify the potential direct and indirect impacts on conservation, significant fauna and their critical habitats within Fortescue’s controlled sites
- Establish management strategies to minimise the potential impacts on conservation significant fauna and their critical habitats within Fortescue’s controlled sites
- Where species presence and critical habitat is confirmed within Fortescue’s controlled sites, develop management actions to mitigate and monitoring programs to detect any impacts.

For each objective, specific actions are developed to ensure the impacts are managed, and that appropriate monitoring, reporting and corrective action are taken to support the successful implementation of the management actions.

All Fortescue mine sites and associated rail and port operations have specific management plans, covering 100 per cent of Fortescue’s operations, to ensure impacts to conservation significant fauna are minimised. Fortescue is also involved in various offsetting and research programs that aim to benefit significant species.



Mining near areas of conservation value

Fortescue Marsh

The Cloudbreak and Christmas Creek mine sites lie immediately north of the Fortescue Marsh. Considered a wetland of national significance and within an area proposed to become a conservation reserve, the Marsh is classified as a Priority Ecological Community (PEC) and is listed on the Directory of Important Wetlands of Australia.

Fortescue is committed to the protection of the Fortescue Marsh and the Company has implemented a number of mitigation and management measures including:

- Minimising clearing and access to the Marsh
- Strict adherence to surface and groundwater management programs
- The innovative Papa Waringka Managed Aquifer Recharge (MAR) program.

The Company also funds a dedicated Fortescue Marsh Conservation Officer, employed through the Department of Biodiversity, Conservation and Attractions.

Part of a longer term strategic collaboration between the Department and Fortescue to manage the conservation values of the Marsh, the position coordinates multiple programs funded by Fortescue including:

- Development of a Fortescue Marsh management plan
- Broad scale weed management
- Feral predator baiting (targeting feral cats)
- Feral herbivore control programs.

In addition to these conservation efforts, Fortescue has a comprehensive weed management program aimed at protecting our natural habitats that includes:

- Systematic mapping and identification of weeds across operations
- Prioritisation and application of weed control
- Monitoring of weed management success.

In FY17, more than 100 days of weed control were completed including targeted control of *Parkinsonia aculeata* (weed of national significance) in collaboration with the not-for-profit rangelands group, Pilbara Mesquite Management Committee (PMMC).

Karijini National Park

The Solomon minesite is located to the west of the Karijini National Park. The national park has been identified as having high conservation value and provides habitat for species of conservation significance including the Northern Quoll and Pilbara Olive Python.

Fortescue undertakes a number of mitigation and management measures including:

- Minimising clearing
- Managing surface and groundwater in accordance with approved management plans and strategies
- Limiting the impact of vibration from blasting activities
- Preventing the ingress of invasive species from operations to the park
- Containing fugitive dust emissions to the immediate operational footprint.

CASE STUDY

Pilbara Leaf-nosed Bat

The Pilbara Leaf-nosed Bat (*Rhinonictis aurantia*) is a small bat which roosts in caves and abandoned mine shafts in the Pilbara.

The species is listed as vulnerable and under threat due to factors including the loss of roosting habitat from mining and the collapse of old mine shafts.

The Pilbara Leaf-nosed Bat has been recorded at several of Fortescue's operational and development sites in the Pilbara. To minimise impacts

to a colony at the North Star mine site, extensive research to better understand habitat and roosting requirements has been undertaken. The monitoring of the colony at North Star is the longest ongoing study ever undertaken for this species. A radio tracking study currently in progress is the first ever study of its type for this species and aims to document the

colony's pattern of movement through its home range and interactions with other colonies identified in the local area.

The information obtained through the study will allow Fortescue to plan and manage its mining activities to ensure impacts to the colony are minimised and the ongoing viability of the colony is maintained.

CASE STUDY

Mangrove monitoring

As part of an ongoing commitment to protect the environment, Fortescue conducts annual monitoring to assess the health of mangroves in the vicinity of its Port operations.

The monitoring aims to detect impacts to mangroves and includes an assessment of canopy density, overall tree health, erosion and ground water table depth and salinity. Mangrove health monitoring commenced in

2006 with the construction of the port facility and has been undertaken annually, if not quarterly, during construction and expansion works. Ten years of monitoring has found that the mangroves are in a healthy condition

and have not been indirectly impacted by Fortescue's operations.

The colonising or regrowth of mangroves has been identified in areas that were previously disturbed.

Safeguarding the environment

Reporting and compliance

Fortescue's responsible management of the environment includes the thorough investigation of incidents and improvement of controls to limit similar incidents occurring in the future.

No significant environmental incidents occurred during FY17. The following two non-significant incidents were reported to the Department of Environment and Regulation (DER) during this period:

- Discharge of dredge sea waters contrary to licence conditions, due to valve failure at the Herb Elliott Port Facility. An investigation determined that the potential for environmental impact was minimal because the receiving environment is frequently subjected to tidal inundation. New valve configurations were installed to prevent future discharges
- Discharge of saline water at Christmas Creek, from a monitoring bore into a small area of surrounding vegetation. An investigation determined that the discharge was as a result of damage by cattle. Infrastructure has been upgraded to prevent the likelihood of similar incidents recurring.

During FY17, Fortescue received a Modified Penalty Notice (MPN) from DER relating to an unplanned discharge of saline dewater from the re-injection system at Cloudbreak mine in May 2015. This included a A\$25,000 fine. The discharge was immediately reported to the DER at the time it occurred and did not impact any heritage sites or the Fortescue Marsh.

There were no environmental grievances raised during FY17.

Internal compliance auditing against environmental obligations occurs at all sites on an ongoing basis. These internal audits are supplemented with independent external audits as required.

During FY17, three desktop audits were undertaken by the Environmental Protection Authority (EPA). The audits assessed compliance against Ministerial Statements issued under the Environmental Protection Act 1986; MS 1033 – Christmas Creek Mine, East-west railway and Mindy Mindy Mine, MS 862 – Solomon iron ore project and the MS 899 Cloudbreak Life of Mine. All audit reports stated that Fortescue has demonstrated an acceptable level of compliance.

Contributing to scientific knowledge

Fortescue supports ongoing relationships with government, Universities and other researchers to contribute to the body of environmental knowledge of the Pilbara. During FY17, the Company contributed funds to a number of research programs to improve the management of rare and threatened fauna species including the Pilbara Leaf-nosed Bat, the Pilbara Olive Python, the Night Parrot and the Northern Quoll.

To aid in species identification in biodiversity assessments, Fortescue also contributed funding towards the development of a DNA sequence resource of 500 flowering plants in the Pilbara and commenced the recovery of DNA from stygofauna species in the Pilbara. The Department of Parks and Wildlife, now the Department of Biodiversity, Conservation and Attractions, also finalised a two year research program mapping the floristic values and vegetation communities of the Fortescue Marsh in 2016. This program resulted in the discovery and identification of new and endemic species, as well as range extension to previous flora distribution records. Mapping of the vegetation communities of the Fortescue Marsh was also financially supported by Fortescue.

Over the past five years, Fortescue has provided over A\$2 million to conservation funds or on-ground research and land management programs.

CASE STUDY

Firetail Replacement Project

Work is underway on early stage approvals for Fortescue's Firetail Replacement Project.

To support environmental approvals for this project, a number of environmental studies and surveys are currently being undertaken. The outcomes of these studies will be used to shape the development of the project and to undertake an environmental impact assessment of the proposed project.

Key studies include:

- Fauna surveys to determine the species that may be present in and adjacent to the project area
- Groundwater modelling to determine potential impacts of mining operations.
- Flora and vegetation surveys to identify the vegetation communities in and adjacent to the project area

Safeguarding the environment

MEET

Rachael Sharp

Senior Environmental Advisor

Rachael has worked in Fortescue's environment team for six years and is currently managing the environmental approvals for the Firetail Replacement Project, in addition to delivering environmental approvals to support ongoing operations.

This typically involves the coordination of biological studies and surveys that inform environmental impact assessments.

"I really enjoy working for Fortescue, I love the challenge and variety of work. I appreciated the support during my time on parental leave and my subsequent return to work in a part-time role. It's allowed me to balance the needs of my family with my career."

Sustainable land rehabilitation

To ensure responsible rehabilitation practices are implemented throughout each stage of the mining life cycle, Fortescue applies an integrated approach to land management. Rehabilitation monitoring procedures are tailored to monitor the local environmental issues, using indices such as plant species diversity and composition, nutrient cycling, infiltration and erosion.

In FY17 advances in photo monitoring techniques, including the use of aerial drones, were trialled to support traditional monitoring activities. These activities increased the number of monitoring sites, while reducing costs.

Progressive rehabilitation activities have been integrated into Fortescue's standard operating procedures to ensure the required environmental performance objectives will be met on closure.

These activities include:

- Ongoing geochemical and physical characterisation of the mineral waste rock
- Where possible, the placement of mineral waste rock into pits after the ore is mined
- Regular review, including computer modelling, of proposed post-mining landforms and water systems
- Monitoring of local water quality and vegetation health indicators
- Rehabilitation monitoring of operational sites completed by an independent specialist on an annual basis.

Site	Total disturbance	Total rehabilitation to date (ha)
Herb Elliott Port	362	-
Railway corridor	5,375	2,071
Mining operations	20,396	1,640

Safeguarding the environment

Managing water responsibly

Objective

- Use water responsibly by improving water use efficiency and maximising the value of existing water sources

Target

- Annual improvement in water use efficiency
- By the end of FY18, complete investigations into alternative water disposal options

The effective management of water resources is fundamental to the sustainability of Fortescue's operations, the environment and the communities within which the business operates. Fortescue takes a proactive approach to responsible water management and as a minimum complies with all relevant water licensing requirements set by Government and industry regulators.

Dewatering and other mining related water uses account for the majority of all water abstracted or produced in the Pilbara. The Company continually assesses and manages water resources, applying adaptive responses to water excess, water scarcity, water quality and waste water treatment. Wherever possible, waste water treatment plant discharge is recycled for other on-site applications including dust suppression and landscape irrigation.

Operations are guided by site-specific Groundwater Management Plans and are informed by the Department of Water 2013 Strategic Policy 2.09, which recommends a hierarchical approach for the use of mine dewatering surplus.

Fortescue monitors groundwater and surface water conditions, local ecosystem and habitat health to ensure that its operations do not significantly impact on the quantity or quality of natural water systems and natural environments. Groundwater monitoring has consistently shown that Fortescue does not have a significant impact on natural water sources in the region. No water sources were significantly affected by Fortescue's withdrawal in FY17.

The MAR and associated infrastructure is vital for operations as it allows for an efficient and resilient groundwater supply without damaging or depleting the natural aquifers and ecosystems that rely upon them. During FY17, 170.6 million kL of groundwater was abstracted to allow mining below the water table, for a potable water supply and non-dewatering abstraction for mine use. Under the MAR, 119.6 million kL of water was reinjected into aquifers to minimise environmental impacts and maintain water balance.

Fortescue's mining operations are located adjacent to numerous sensitive and 'water-related' receptors including permanent, groundwater fed pools at the Solomon Hub and the Fortescue Marsh, a wetland of national significance adjacent to the Chichester Hub. Fortescue is subject to a number of environmental protection obligations, as well as voluntary monitoring programs to measure impacts on these ecosystems.

The Papa Waringka and the Fortescue Marsh

Fortescue's innovative approach to minimise its impact on groundwater has been recognised by the International Water Association, winning a top Project Innovation Award in 2012 at the World Water Congress. The Papa Waringka (Niyiyapaly language for water in the ground) Managed Aquifer Recharge program (MAR) at the Chichester Hub sees water from mine dewatering reinjected down dip. This approach minimises potential indirect impacts to neighbouring water users, groundwater dependent ecosystems and the Fortescue Marsh. This system is now one of the largest MAR systems in Australia.

Fortescue's innovative approach to minimise its impact on groundwater has been recognised by the International Water Association, winning a top Project Innovation Award in 2012 at the World Water Congress.



Kangeenarina Creek

Kangeenarina Creek is a system of groundwater fed pools that are located within the Solomon mine area. Fortescue made the commitment to maintain the level of these pools for the life of the project. A MAR system was constructed and has been successfully protecting the groundwater fed pools from dewatering impacts and enabling the company to meet its environmental approvals for more than four years.

Fortescue does not abstract any surface water, including water from wetlands, rivers lakes or the ocean.

Fortescue's water management is among the best in the mining industry and has been recognised by industry innovation awards.

Fortescue will continue to build upon leading practice to ensure that water management is undertaken effectively and that there are no negative impacts upon the environment or community as a result of the Company's water management activities. Fortescue's reputation is based on consistent operational performance and responsibility.

Water use

Overall water use at the Herb Elliott Port facility increased slightly in FY17. Groundwater abstraction decreased while water produced from the desalination process increased.

Groundwater abstraction for rail operations was significantly reduced from FY16 usage as the rail line construction works were limited during this period.

Site	Source	FY17 Volume (kL)	FY16 Volume (kL)	Use
Herb Elliott Port facility	Scheme water	4,217	5,584	Potable Supply
	Groundwater abstraction	533,586	744,618	Process and dust suppression
	Desalination	552,250	290,125	Process and dust suppression
Rail	Groundwater abstraction	51,345	159,802	Dust suppression for rail operations and potable water supply for construction camps
Mining operations	Groundwater abstraction	170,581,616	176,145,306	Dewatering to allow mining below the water table, potable water supply and non-dewatering abstraction for mine use

Returns to the environment

Type	FY17 Volume (kL)	FY16 Volume (kL)	Use
Managed aquifer recharge	119,634,394	120,621,000	Water is injected into aquifers to minimise environmental impacts and maintain water balance
Surface water discharge	0	0	No excess groundwater was discharged to surface during FY17
Supplementation	2,606,971	838,471	Water to minimise impact to groundwater fed pools
Evaporation and seepage	812,782	993,000	Evaporation losses from uncovered transfer ponds and seepage from unlined brackish ponds

Safeguarding the environment



Wastewater discharge at minesites

Type	FY17 Volume (kL)	FY16 Volume (kL)
Christmas Creek	245,766	206,870
Solomon	140,803	137,935
Cloudbreak	139,771	141,117

NB: Waste water from waste water treatment plants.

Leveraging technology

Fortescue is currently assessing a number of technological advances designed to reduce the Company's environmental impact on water resources and improve water use efficiency. One technological advance being explored is the use of telemetry on pipeline flow meters to provide live time monitoring to mitigate the impact of potential spills. Investigations are also being made into whether filters can be used to successfully separate and recover water from processing waste.

Safeguarding the environment

Regional hydrogeology

Objective

- Lead a better understanding of regional hydrogeological systems where the Company operates

Target

- By FY21, complete and publish findings of a Pilbara-wide hydrogeological systems study

Fortescue has gained expertise in monitoring groundwater systems as a result of the Company's Papa Waringka Managed Aquifer Recharge scheme. The Company is committed to working with Government, industry and the community to share these learnings and gain a better understanding of the hydrogeological systems of the Pilbara.

During FY17, Fortescue refined a water balance model for the estimation of baseline groundwater levels (GWL) at monitoring bores on the northern fringe of the Fortescue Marsh. The water balance model uses historical weather data and temporal marsh surface water level (SWL).

Baseline GWLs at the monitoring bores are required for establishing trigger levels, which take account of climatic variability.

Over the next 12 months, the Company will focus on gaining a strong understanding of existing data, and coverage of that data. This assessment will assist in the understanding of the scope of the project and stakeholders involved over the next few years. The report will be published prior to 30 June 2021.

MEET

John Enkelmann

Senior Hydrogeologist

Since joining Fortescue in 2010, John's work has focussed on water management across the Chichester operations and has included operations planning, regulatory approvals and reporting.

His current role is in long-term planning where he works to identify dewatering requirements for future mine plans.

Fortescue's Chichester operations, incorporating Cloudbreak and Christmas Creek, is now one of

the world's largest mine water management operations and is internationally awarded for its world-leading system to return groundwater to aquifers by Managed Aquifer Recharge.

As well as the critical task of dewatering the groundwater-saturated ore bodies to make mining possible, the system also supplies ore-processing water and potable supplies for domestic use in the accommodation camps.

"Water management is one of the greatest challenges in mining the Chichester resources.

Over the years Fortescue has continued to find innovative solutions to wide-ranging groundwater challenges and it's been very satisfying to be part of the team."

Safeguarding the environment

Mine closure

Objective

- Ensure mine closure is considered in all aspects of planning and operations

Target

- By the end of 2017, develop and communicate a whole of business closure standard
- By the end of 2017, establish a closure steering committee to oversee closure planning and implementation

Objective

- Increase community participation in mine closure and post-mining industries

Target

- By the end of FY18, develop a stakeholder engagement strategy on mine closure

Fortescue's mine closure planning is focussed on returning the land to a state that will provide future use and value once mining is complete.

Mine closure is initially considered during the feasibility phase of project development, when objectives are discussed and agreed with stakeholders and strategies to minimise environmental impacts are developed.

Over the life of each operation, strategies are refined and details on how objectives will be met and measured are provided via mine closure plans. To ensure maximum effectiveness in rehabilitation activities, mine closure plans are regularly updated to include findings from targeted research and trials. Closure plans and financial provisions to execute these plans are developed and maintained for all Fortescue's operational sites. Financial provisions for closure are listed in Fortescue's Annual report.

Fortescue's mine closure planning work during FY17 included:

- Studies on the physical properties of waste rock to help guide waste dump construction and ensure rehabilitation and form designs achieve acceptable rates of stability over the long-term

- Investigations into the impacts to the physical, chemical and biological characteristics of topsoil when stored in elevated lifts
- Updating the Christmas Creek Mine Closure plan to comply with the Western Australian Department of Mines and Petroleum and Environmental Protection Authority publication Guidelines for Preparing Mine Closure Plans (2015)
- A completion of an independent assessment of the demolition and disposal costs for the Cloudbreak mine infrastructure was completed as part of an ongoing cycle of cost validation.

Fortescue's mine closure planning processes are guided by the Closure Steering Committee which includes senior management representatives from the Operational Planning, Finance, Risk, Environment, and Community teams.

In FY18 the Closure Steering Committee will meet to endorse updates to Fortescue's Closure standard and direct development of a stakeholder engagement strategy aimed at increasing community participation in mine closure and post-mining industries.

MEET

Sarah Keller

Senior Mining Engineer Cloudbreak, Mine Planning

Sarah has been part of the Fortescue team for four years and leads the Cloudbreak design and three-month mine planning team, which works to ensure that short-term mining schedules allow Fortescue to meet market needs and realise long term goals.

"I work with a great team who are committed to reducing costs and increasing productivity across mining operations through good design and planning. We are always looking for ways to improve, shorten haul distances and drive value for Fortescue."

Safeguarding the environment

Reducing waste

Objective

- To reduce waste generation through prevention, reduction, recycling and reuse

Target

- By the end of 2017, develop a product lifecycle and waste disposal procurement policy, excluding off-the-road tyres (OTRs)
- By the end of FY18 achieve >90 per cent recycling rate for total waste volumes
- By the end of FY20, identify a sustainable disposal method for OTRs and conveyor belt

Reducing waste generation through the prevention, reduction, recycling and reuse of waste produced during operations is a priority for Fortescue and options continue to be investigated to minimise the volumes of general waste being sent to landfill.

During FY17 Fortescue:

- Improved wooden pallet management and recycling processes, resulting in significant cost savings and reductions in the volume of wood being landfilled
- Pursued options for glass recycling and provided glass product to support the Main Roads WA trials for road construction
- Recycled High Density Polyethylene (HDPE) through the return and reuse by the manufacturer in resupplied product
- Continued development of a solution for the management of OTR mining truck tyres
- Streamlined waste management process onsite to require only four people per site to operate mobile equipment, landfill and recycling requirements
- Introduced sludge presses into the waste management process, reducing the amount of liquid waste disposed of offsite by approximately 3,000 tonnes per annum at both the Newman and Tom Price facilities.

During FY17, on average, more than 77.6 per cent of waste delivered to Fortescue's landfills was recycled. This was over 80 per cent for the Cloudbreak and Christmas Creek minesites.

All waste generated across Fortescue's operations is managed in accordance with the Waste Management Plan and Hazardous Materials Management Procedure. No hazardous waste as classified under the Basel Convention, was generated or disposed of by Fortescue during FY17.

Additional waste reduction projects currently under investigation include:

- Tyre and conveyor belt recycling
- Dehydrator/composting unit installation
- Strategies to achieve zero landfill for the future.

The Solomon landfill has been operational for less than 12 months. During FY18, Fortescue will work to further reduce landfilling rates at Solomon by focussing on education, waste separation and recycling.

Cloudbreak - FY17 Waste recycled

Material recycled (tonnes)	4,538.57
Material landfilled (tonnes)	821.45
Material recycled (%)	85
Material landfilled (%)	15

Solomon - FY17 Waste recycled

Material recycled (tonnes)	2,816.84
Material landfilled (tonnes)	1,498.99
Material recycled (%)	65
Material landfilled (%)	35

Christmas Creek - FY17 Waste recycled

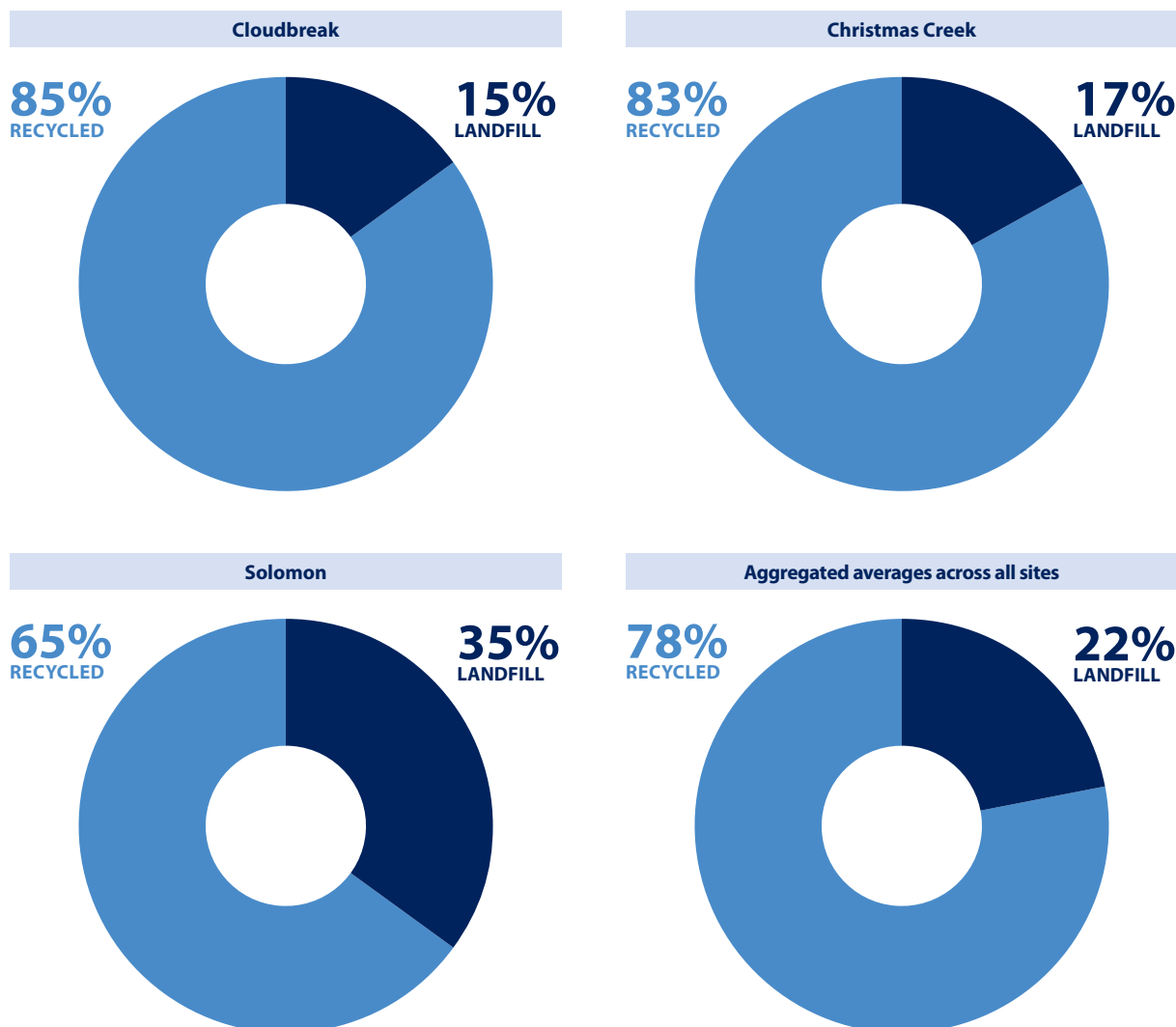
Material recycled (tonnes)	3,689.44
Material landfilled (tonnes)	770.67
Material recycled (%)	83
Material landfilled (%)	17

All mines - FY17 Waste recycled

Material recycled (%)	78
Material landfilled (%)	22

Safeguarding the environment

Percentage of waste recycled FY17



Waste rock

Waste from the processing facilities, as well as overburden removed to access the Company's orebodies, is disposed of on-site with much of the waste put back into mined out pits. Within the Chichester region, 81.5 per cent of overburden was returned to the mine pits as backfill.

Type	Waste rock FY17 (wmt)
Total overburden mined	195,926,944
Total ore mined	181,132,674
Total tailings	21,697,270



To contribute to global efforts to combat Climate Change by promoting energy efficiency and reducing emissions.

Climate Change and energy

Fortescue acknowledges the global challenge that climate change poses and is committed to working with the Australian Government, peers and the community to address this issue.

As a business, Fortescue accepts the science of Climate Change and advice of the United Nations' Intergovernmental Panel on Climate Change, notably that by changing behaviours and using a wide array of technological measures, it is possible that global mean temperatures can be limited to a two degrees celsius increase above pre-industrial levels.

The Company supports the Paris Agreement and the commitment of the Australian Government to take strong domestic and international action on climate change.

In recognising the need to plan for and address the impacts of Climate Change, Fortescue will work to ensure the resilience of its operations, Company assets, employees and the communities in which it operates to adapt to Climate Change. The management of Fortescue's Climate Change risks and opportunities is integrated into multi-disciplinary company wide risk management processes.

The following key Climate Change impacts have been identified as risks for Fortescue's business:

- Disruptions to operational continuity due to extreme weather events including cyclones and flooding
- Disruptions to operational continuity as a result of decreases in the availability of suitable quality process water
- Damage to port assets due to rising sea levels
- Health and safety issues for employees and local communities due to extreme weather events including cyclones, flooding and temperature increases
- Damage to reputation and/or litigation if action is not undertaken to avoid potential impacts to others

- Changes to market demand
- Increased operational costs due to regulation/policy changes, higher insurance, or increased maintenance.

In addition to the potential physical impacts of Climate Change on the Company's operations and infrastructure, there is a rapidly changing regulatory landscape within Australia and internationally. This includes evolving regulations on emissions reduction and reporting and the emergence of market and government responses to Climate Change that seek to provide incentives to transition to a lower emissions environment. There are both risks and opportunities for Fortescue arising from these developments in regulation and market structures, both in Australia and internationally.

Fortescue will minimise these risks by:

- Implementing measures that protect its assets and ensure the resilience of its operations
- Reducing emissions, investigating and investing in low emission technologies
- Implementing additional measures to protect the health and safety of employees and the communities in which Fortescue works
- Working with its peers, the Government and the community to ensure the development of an effective policy and regulatory framework that enables the transition to lower emission outcomes by incentivising innovation and supporting economic stability and growth.

Fortescue's Audit and Risk Management Committee is responsible for considering Climate Change issues, opportunities, impacts and risks to operations. The Company reports annually under the Carbon Disclosure Project.

Safeguarding the environment

Emissions reduction

Objective

- Reduce carbon emissions across the business

Target

- By FY20, achieve a 25 per cent decrease in emissions intensity in electricity generation from FY15 levels
- By FY20, achieve a five per cent decrease in emissions intensity in energy consumption in the production process from FY17 levels

Fortescue is committed to reducing its emissions intensity and investing in low-emission technology to reduce the Company's contribution to Climate Change and impact on the environment. Fortescue's operations and approach to Greenhouse Gas (GHG) emissions is compliant with:

- Australian Federal Government National Greenhouse and Energy Reporting Act 2007, and associated guidelines
- Carbon Disclosure Project.

While production has remained steady in the last 12 months, Fortescue has reduced the total scope one and scope two GHG emissions of its operations. In FY17, the Company emitted 1.717 million tonnes of CO₂e, a reduction of three per cent compared to the previous 12 months, and reduction of 11 per cent since FY15.

Since FY15 GHG emissions intensity has reduced by eight per cent.

Fortescue is working to meet its target to reduce emissions intensity in electricity generation by 25 per cent from FY15 levels, by FY20. Since FY15 the Company's emissions intensity has reduced by 18 per cent.

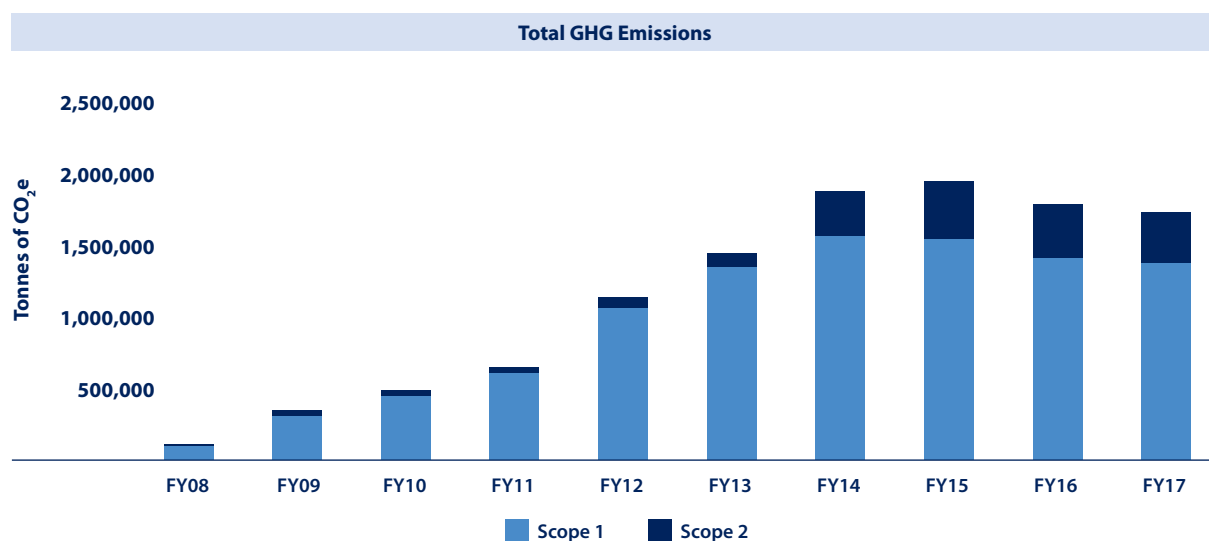
Key initiatives that drove GHG and energy intensity reductions during FY17 include:

- Improved strip ratios across all mine sites
- Improved ore recovery from wet plant operations
- Reduction in Pilbara powerplant natural gas usage by Fortescue's port operations
- Automation of haul trucks
- Replacement/consolidation of large dewatering bore generators with more efficient units and control systems.

Key initiatives being investigated to further reduce emissions include:

- Retrofitting or replacement of Cloudbreak and Christmas Creek minesite power
- Use of relocatable conveyor systems
- Gas substitution technology for large diesel engines.

As the base year for the target to decrease emissions intensity in energy consumption is FY17, progress towards this target will be reported in FY18.



Safeguarding the environment



Overview

Operating
and Financial Review

Fortescue's approach

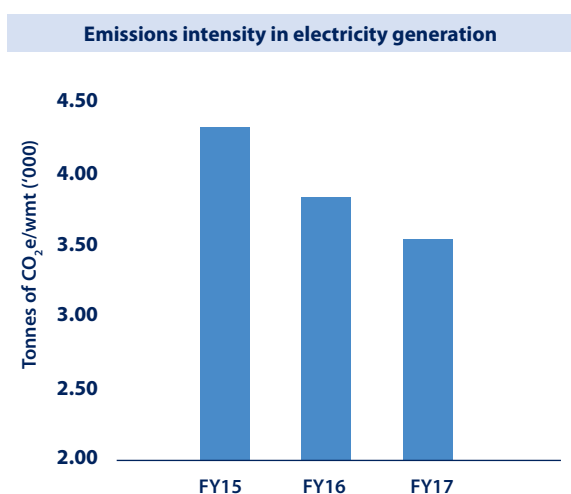
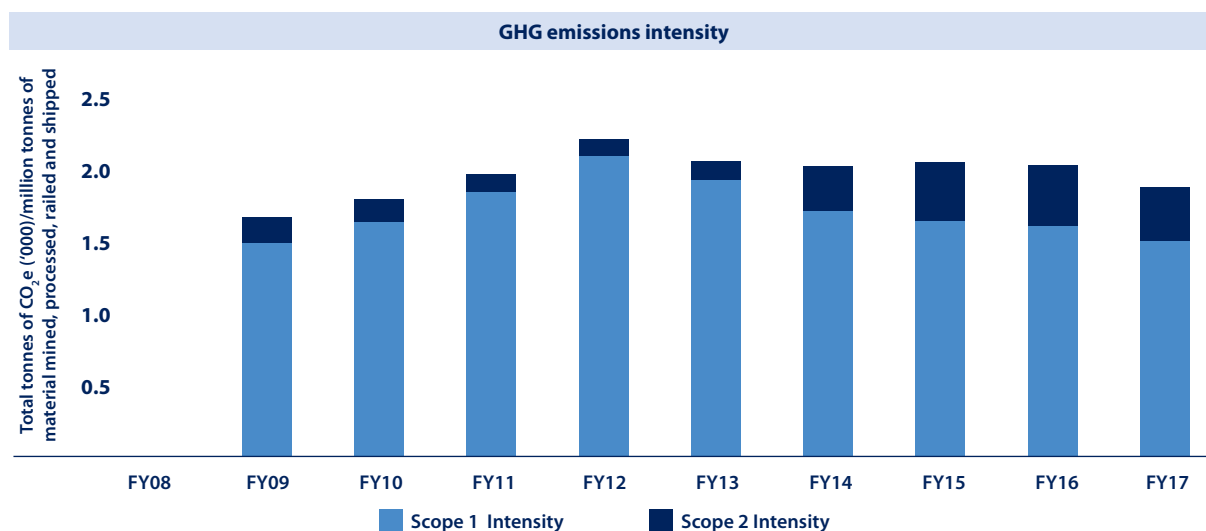
Engaging
with stakeholders

Setting high standards

Creating positive
social change

Safeguarding
the environment

Corporate Information



18% reduction
in emissions intensity in electricity generation since FY15

NB: Calculations are based on electricity generated and includes Scope 1 and Scope 2 emissions.



Marbled Velvet gecko – photo taken during fauna monitoring within the Chichester ranges.

CORPORATE DIRECTORY



Contact information



Memberships



Memberships and commitments to CSR relevant external initiatives

Australian memberships

- Business Council of Australia
- Association of Mining and Exploration Companies (AMEC)
- Australian Mines and Metals Association
- Corporate Tax Association
- United Nations Global Compact Network Australia.

International Memberships

- United Nations Global Compact

Commitments to external initiatives and standards

- Tax Transparency Code of Australia 2016
- International Council on Mining and Metals (ICMM) Sustainable Development Principles
- Carbon Disclosure Project
- Dow Jones Sustainability Index
- UN Guiding Principles on Business and Human Rights
- ISO Standards
 - o 14001 – Environmental Management
 - o 3100 – Risk Management.

Navigation Index

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

The Company's 2017 Annual Report also serves as Fortescue's Active Level Communication on progress for the United Nations Global Compact. The Navigation Index 2017 indicates the sections of Fortescue's 2017 Corporate Social Responsibility

Report and 2017 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
General disclosures				
102-1	Name of the organisation	• About this Report – page 2		
102-2	Activities, brands, products and services	• About Fortescue – page 6 • Operating and Financial Review – page 15-18		
102-3	Location of headquarters	• About Fortescue – page 6 • Full address – page 108		
102-4	Location of operations	• About Fortescue – page 6		
102-5	Ownership and legal form	• About Fortescue – page 6 • Annual Report – Shareholder information – page 134		
102-6	Markets served	• About Fortescue – page 6		
102-7	Scale of the organisation	• About Fortescue – page 6 • 2017 Annual Report – Operating and Financial Review – Overview of Operations, Financial Results and Position – pages 15-28		
102-8	Information on employees and other workers	• The Fortescue family – pages 39-48		6
102-9	Supply chain	• Fortescue's supply chain – page 77 • Engaging with Stakeholders – pages 27-32		
102-10	Significant changes to the organisation and supply chain	• 2017 Annual Report - Financial Report – Director's Report – pages 50-52		
102-11	Precautionary Principle or approach	• 2017 Corporate Governance Statement Environmental protection – page 82	1, 2, 4	7
102-12	External Initiatives	• Message from CEO – pages 4-5 • Memberships – page 100	2	
102-13	Memberships	• Message from CEO – pages 4-5 • Memberships – page 100	2	
102-14	Statement from senior decision-maker	• Message from CEO – pages 4-5	2	1, 4, 5
102-15	Key impacts, risks and opportunities	• Throughout report • Corporate Governance Statement pages 12-17		
102-16	Values, principles, standards and norms of behaviours	• Vision and Values – page 6,14	1, 2	10

Navigation Index

General standard disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
General disclosures				
102-18	Governance structure	• Corporate Governance – page 21	1	
102-32	Highest governance body's role in sustainability reporting	• Respecting human rights – page 76	1	
102-40	List of stakeholder groups	• Engaging with stakeholders – pages 27-32	4, 10	
102-41	Collective bargaining agreements	• The Fortescue family – page 39	3	3
102-42	Identifying and selecting stakeholders	• Engaging with stakeholders – pages 27-32	4, 10	
102-43	Approach to stakeholder engagement	• Engaging with stakeholders – pages 27-32	4, 10	
102-44	Key topics and concerns raised	• Engaging with stakeholders – pages 27-32	4, 10	
102-45	Entities included in the consolidated financial statements	• About Fortescue – page 6 • 2017 Annual Report – Financial report page 89		
102-46	Defining report content and its Boundary	• Fortescue's Approach – pages 19-26 • Material Issues – page 23	2	
102-47	List of material topics	• Material Issues – page 23 • United Nations Sustainable Development Goals – page 24-26	2	
102-48	Restatements of information	• Restatements of information are noted in the text		
102-49	Changes in reporting	• Fortescue's approach – pages 19-26		
102-50	Reporting period	• About this Report – page 2	10	
102-51	Date of most recent report	• 2016		
102-52	Reporting cycle	• About this Report – page 2		
102-53	Contact point for questions regarding the report	• Feedback – page 2		
102-54	Claims reporting in accordance with the GRI standards	• About this Report – page 2		
102-55	GRI Content index	• Corporate Directory – page 101-105		
102-56	External Assurance	• Assurance – page 2	10	
103-1	Explanation of the material topic and its Boundary	• Covered for each material issue throughout the report. Material Issues – pages 23-26	4, 10	
103-2	The management approach and its components	• Covered for each material issue throughout the report. Material Issues – pages 23-26		
103-3	Evaluation of the management approach	• Covered for each material issue throughout the report. Material Issues – pages 23-26		

Economic performance

201-1	Direct economic value generated & distributed	• Fortescue's approach to tax – pages 53-55 • 2017 Annual report – Financial Results and Position – pages 15-28	9	
201-2	Financial implications and other risks and opportunities due to climate change	• Climate Change and energy – page 95 • For risks identified, the CSR report in FY18 will provide more information on financial implications.	6	7

Navigation Index

Specific standard disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material topic: Employee health, safety and wellbeing				
Occupational health and safety				
DMA	Disclosure on management approach	• Employee health, safety and wellbeing – pages 34-38		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	• Employee health, safety and wellbeing – pages 34-38	5	1
Material topic: Diversity				
Diversity and equal opportunity				
DMA	Disclosure on management approach	• Workplace diversity – pages 44-48		
405-1	Diversity of governance bodies and employees	• Workplace diversity – pages 44-48	3	6
Employee training and education				
404-1	Average hours of training per year per employee	• The Fortescue family – page 41	5	6
404-2	Programs for upgrading employee skills and transition assistance programs	• The Fortescue family – pages 41-48	3	6
404-3	Percentage of employees receiving regular performance and career development reviews	• The Fortescue family – page 41	3	6
Employment				
401-1	Total number and rates of new employee hires and employee turnover	• The Fortescue family – page 41	3	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	• The Fortescue family – page 39		6
413-2	Operations with significant actual and potential negative impacts on local communities	• Engaging with stakeholders – pages 27-32 • Building Communities – pages 70-77	3, 9	1, 2
Material topic: Ethical conduct, bribery and corruption				
Anti-corruption				
DMA	Disclosure on management approach	• Ethical conduct, bribery and corruption – pages 51-52		
205-2	Communication and training about anti-corruption policies and procedures	• Ethical conduct, bribery and corruption – pages 51-52	1	10

Navigation Index

Specific standard disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Topic: Protecting Aboriginal heritage				
Rights of Indigenous peoples				
DMA	Disclosure on management approach	- Protecting Aboriginal heritage – pages 49-55 - Protecting Aboriginal heritage – pages 58-69		
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	Protecting Aboriginal heritage – pages 49-55	3, 9	1, 2
Material Topic: Building local communities				
Indirect Economic Impacts				
DMA	Disclosure on management approach	Building communities – pages 70-75		
203-2	Significant indirect economic impacts	Building communities – pages 70-75		
Procurement practices				
204-1	Proportion of spending on local suppliers	Building communities – Local procurement: pages 71	2, 9	6
Material Topic: Respecting human rights				
Human rights assessment				
DMA	Disclosure on management approach	Respecting human rights – pages 76-80		
412-1	Operations that have been subject to human rights reviews or impact assessments	Respecting human rights – pages 76-80	3	1,2
412-2	Employee training on human rights policies or procedures	Respecting human rights – page 80	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	Respecting human rights – pages 77-78	2	1,2,3,4,5,6
Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	Fortescue's supply chain – pages 77	6	7,8,9
Child labour				
408-1	Operations and suppliers at significant risk for incidents of child labour	Ending slavery in Fortescue's supply chain – page 78	3	1,2,5
Forced or compulsory labour				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ending slavery in Fortescue's supply chain – page 78	3	1,2,4, 5
Security practices				
410-1	Security personnel trained in human rights policies or procedures	Respecting human rights – page 76	3	1,2

Navigation Index

Specific standard disclosures

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Material Issue: Protecting the environment				
Biodiversity				
DMA	Disclosure on management approach	• Protecting biodiversity – page 83		
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 84	7	8
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	• Sustainable land rehabilitation – page 87	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 – page 83	7	8
304-2	Significant impacts of activities, products, and services on biodiversity	• Protecting biodiversity – pages 83-86	7	8
304-3	Habitats protected or restored	• Protecting biodiversity – pages 83-86	7	8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	• Protecting biodiversity – page 83	7	8
Closure planning				
G4-MM10	Number and percentage or operations with closure plans	• Mine closure – page 92	6, 9	7
Water				
303-1	Water withdrawal by source	• Managing water responsibly – page 88-90	6	7,8
303-3	Water recycled and reused	• Managing water responsibly – page 88-90		8
Effluents and waste				
306-2	Waste by type and disposal method	• Reducing waste – pages 93-94	6	8
306-4	Transport of hazardous waste	• Reducing waste – page 93		8
Material topic: Climate Change				
Emissions				
DMA	Disclosure on management approach	• Climate Change and energy – page 95		
305-1	Direct (Scope 1) GHG emissions	• Emissions reduction – page 96	6	8
305-2	Energy indirect (Scope 2) GHG emissions	• Emissions reduction – page 96	6	8
305-4	GHG emissions intensity	• Emissions reduction – page 97	6	8
305-5	Reduction of GHG emissions	• Emissions reduction – page 96	6	8
Energy				
302-3	Energy intensity	• Climate Change and energy – pages 95-97	6	8

¹ The description of the disclosures has been summarised. For the full text of disclosures see www.globalreporting.org

² www.icmm.com/our-work/sustainable-development-framework/10-principles

³ www.unglobalcompact.org/what-is-gc/mission/principles

Glossary

Aboriginal owned businesses

Contractors, joint ventures, sub-contractors or other legal entities owned by Aboriginal people.

Australian Accounting Standards
Australian accounting standards are developed, issued and maintained by the Australian Accounting Standards Board, an Australian Government agency under the *Australian Securities and Investments Commission Act 2001*.

AMMA

The Australian Mines and Metals Association.

ASX

The Australian Securities Exchange.

ASX 100 Resource Index

A capitalisation-weighted index which measures the performance of the resources sector of the ASX 100. The index is calculated on an end of day basis.

ASX Corporate Governance Principles and Recommendations (Third 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.

BID

Bedded Iron Deposit.

bt

Billion tonnes.

C1 Cost

Operating costs of mining, processing, rail and port on a per tonne basis, including allocation of direct administration charges and production overheads.

CFR

A delivery term that indicates that the shipment price includes the cost of goods, freight costs and marine costs associated with a particular delivery.

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.

CO₂e

Carbon dioxide equivalent which is the internationally recognised measure of greenhouse gas emissions.

Contractors

Non-Fortescue employees, working with the Company to support specific business activities.

Contestable spend

Spend that is subject to Fortescue's procurement process, in accordance with Fortescue's Procurement Policy. It excludes shipping, Government costs or charges, including royalties, donations, subscriptions and memberships, Native Title group payments (other than payments as consideration for the provision of direct goods or services), property leasing, related Fortescue entities and legal fees.

Corporations Act

Corporations Act 2001 of the Commonwealth of Australia.

Direct employees

Total number of employees including permanent, fixed term and part-time. Does not include contractors.

dmt

Dry metric tonnes.

dmtu

Dry metric tonne unit.

Employee turnover

Permanent and fixed term employees who left Fortescue voluntarily for reasons not initiated by the Company.

EPA

Environmental Protection Authority.

Fe

The chemical symbol for iron.

FIFO

Fly-in Fly-out is 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.

Fortescue

Fortescue Metals Group Limited (ACN 002 594 872) and its subsidiaries.

FY

Refers to a Financial Year.

Gearing

Debt / (debt + equity).

GJ

Gigajoules.

Greenhouse gases

Gases that trap heat in the atmosphere, including carbon dioxide, hydrofluorocarbons, methane, nitrous oxides, ozone, perfluorocarbons, vapour and water.

GRI

The Global Reporting Initiative (GRI) is an international independent organisation which has developed a standard for sustainability reporting and disclosure.

Ha

Hectares.

Hematite

An iron ore compound with an average iron ore content of between 57 per cent and 63 per cent Fe. Hematite deposits are typically large, close to the surface and mined via open pits.

HSES

Health, safety, environment and security.

ICMM

The International Council on Mining and Metals was established in 2001 to act as a catalyst for performance improvement in the mining and metals industry.

Indigenous Land Use Agreement (ILUA)

Statutory agreement between a native title group and others about the use of land and waters.

International Financial Reporting Standards

International Financial Reporting Standards (IFRS) is a single set of accounting standards, developed and maintained by the IASB with the intention of those standards being capable of being applied on a globally consistent basis.

IUCN

International Union for Conservation of Nature.

Glossary

Key Management Personnel

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

kL

Kilolitre.

LOM

Life of Mine, being the number of years over which available reserves will be extracted.

m3

Cubic metres.

Magnetite

An iron ore compound that is typically a lower grade ore than Hematite iron ore because of a lower iron content. 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.

mt

Million tonnes.

mtpa

Million tonnes per annum.

NGER

The National Greenhouse and Energy Reporting (NGER) Scheme was introduced in 2007 to provide data and accounting in relation to Greenhouse Gas emissions and energy consumption and production. The NGER Scheme operates under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act).

NPAT

Net profit after tax.

OTR

Off the road tyre.

OPF

Ore Processing Facility.

Pilbara

The Pilbara region in the north west of Western Australia.

Reserves or Ore Reserves

As defined in the JORC Code, the economically mineable part of a measured mineral resource and/or an indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves. Where capitalised, this term refers to Fortescue's estimated reserves.

Resources or Mineral Resources

As defined in the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quantity and quality that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories. Where capitalised, this term refers to Fortescue's estimated resources.

Rotable

Component or inventory item that can be repeatedly or economically restored to a fully serviceable condition.

Senior Executive

Leadership position title of Director or Group Manager.

Solomon Hub

A mining hub with two operating iron ore mines, Firetail and Kings. 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.

TRIFR

Total Recordable Injury Frequently Rate per million man hours worked, comprising lost time injuries, restricted work and medical treatments.

Underlying EBITDA

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

Underlying EBITDA margin

Underlying EBITDA / Operating sales revenue.

UNGC

United Nations Global Compact provides a leadership platform for business 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.

wmt

Wet metric tonnes.

WMYAC

Wirru-murra Yindjibarndi Aboriginal Corporation.

Corporate Directory

Contact information

Fortescue registered office Australia

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East Perth, WA 6004

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F: +61 8 6218 8880
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www.fmgl.com.au

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Singapore

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F: +61 8 6218 8880
E: fmgl@fmgl.com.au
www.fmgl.com.au

Fortescue VTEC and Community office

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South Hedland, WA 6722

T: +61 8 9158 5800
F: +61 8 6218 8880
E: hedlandcommunity@fmgl.com.au
www.fmgl.com.au

Stock Exchange listings

Australian Business Number

ABN 57 002 594 872

Auditor

PricewaterhouseCoopers
Level 15, 125 St Georges Terrace
Perth, WA 6000
www.pwc.com.au

Securities Exchange listings

Fortescue Metals Group Limited shares are listed
on the Australian Securities Exchange (ASX)
ASX Code: FMG

Fortescue Share Registry

Link Market Services Limited
Level 12 QV1 Building
250 St Georges Terrace
Perth, WA 6000

Locked Bag A14
Sydney South, NSW 1235
T: 1300 733 136 (within Australia)
T: +61 2 8280 7603 (International)
F: +61 2 9287 0309

www.linkmarketservices.com.au

Stay in touch

Latest news, reports and presentations via email

If you would prefer to receive information such as Annual Reports, notices of meetings and announcements via email, you can change your communication preferences on the Registry website: www.linkmarketservices.com.au

Twitter

 [@FortescueNews](https://twitter.com/FortescueNews)

LinkedIn

au.linkedin.com/company/fortescue-metals-group

YouTube

www.youtube.com/user/FortescueMetalsGroup

Event calendar 2017

Key dates for Fortescue shareholders in 2017. Please note dates are subject to review.

Full year results announcement

21 August 2017

Annual General Meeting

8 November 2017

September Quarterly Production Report

24 October 2017

Together we are Fortescue

THE DREAM BEGINS

2003

2004

Cloudbreak identified



S&P/ASX 200 index

2005

2006

Port Hedland groundbreaking



FIRST ORE ON SHIP

2008

2009

27mtpa shipped



Christmas Creek expanded

2010

2011

Solomon construction begins



57.5mtpa shipped

2012

FIRETAIL OPENED AT SOLOMON



155MTPA SUSTAINABLE PRODUCTION

2013

80.9mtpa shipped



Kings Valley project
opened at Solomon

2014

- Anderson Point Berth 5 completion
- Fortescue River Gas Pipeline completion
- 500 millionth tonne of ore shipped
- 165mtpa shipped sustainable production



- US\$2.9 billion debt repaid in FY16
- 169.4mt shipped in FY16
- Fortescue celebrates arrival of first ore carrier, FMG Nicola into Port Hedland
- Fortescue recognised as lowest cost iron ore supplier into China

2015

2016

2017

- Achieving lowest ever TRIFR of 2.9
- 170.4mt shipped in FY17

THE JOURNEY CONTINUES





Fortescue
The New Force in Iron Ore

www.fmg.com.au  [@FortescueNews](https://twitter.com/FortescueNews)