APPENDIX 4E

For the year ended 30 June 2024

This information should be read in conjunction with Fortescue's Annual Report, for the year ended 30 June 2024.

Name of entity: Fortescue Ltd

ABN: 57 002 594 872

Results for announcement to the market

		US$ million
Revenue from ordinary activities	increased 8% to	18,220
Profit from ordinary activities after tax attributable to members	increased 18% to	5,683
Net profit after tax attributable to members	increased 18% to	5,683
Underlying net profit attributable to members[1]	increased 3% to	5,683

[1]The FY23 amount excluded an impairment expense of Iron Bridge of US$1,037 million (post-tax US$726 million) (FY24: Nil).

Dividends	**Amount per security**	**Franked amount per security**
Financial year ended 30 June 2024:		
Interim – ordinary	A$1.08	A$1.08
Final – ordinary	A$0.89	A$0.89
Total dividends	**A$1.97**	**A$1.97**
Previous corresponding period:		
Interim – ordinary	A$0.75	A$0.75
Final – ordinary	A$1.00	A$1.00
Total dividends	**A$1.75**	**A$1.75**
Ex-dividend date of final dividend	4 September 2024	
Record date of final dividend	5 September 2024	
Payment date of final dividend	27 September 2024	

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan (the Plan) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with the ordinary shares of the Company. The allocation of price for shares under the Plan will be calculated as the average of the daily volume weighted average market price of all Fortescue shares traded on the Australian Securities Exchange during the period of five trading days commencing on 9 September 2024.

The last date for receipt of applications to participate in or to cease or vary participation in the Plan is by 5:00pm (WST) on 6 September 2024. The Directors have determined that no discount shall apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be acquired on market and transferred to participants on 27 September 2024. A broker will be engaged to assist in this process.

A copy of the Plan Rules is available at **www.fortescue.com/investors.**

Net tangible asset backing

Net tangible asset backing per ordinary shares: US$6.22 (previous corresponding period: US$5.75).

Previous corresponding period

The previous corresponding period is the 12 months ended 30 June 2023.

Audit

This report is based on financial statements which have been audited.

Commentary on results for the period

A commentary on the results for the period is contained within the Annual Report, including the Financial Report that accompanies this announcement.

Fortescue

ANNUAL REPORT

FY24 HIGHLIGHTS

GREEN ENERGY HUB OPENS

EUROPA

our hydrogen-powered battery electric haul truck prototype, operated on hydrogen for the first time

IRON ORE SHIPPED

191.6
million tonnes

C1 COST

US$ 18.24
/wet metric tonne

TOTAL ECONOMIC CONTRIBUTION FY24

- Employee payments **$2.5bn**
- Shareholder and investor payments **$7.1bn**
- Government and native title payments **$6.1bn**
- Suppliers and operational payments **$11.8bn**

CASH ON HAND

US$ **4.9** billion

TOTAL RECORDABLE INJURY FREQUENCY RATE

1.3 METALS

UNDERLYING NET PROFIT AFTER TAX

US$ **5.7** billion

100 MEGAWATT SOLAR FARM

100 megawatt solar farm at North Star Junction which will avoid up to 125,000 tonnes of carbon dioxide equivalent from our operations every year once fully commissioned

WHAT WE DO

WE ARE THE TECHNOLOGY, ENERGY AND METALS GROUP ACCELERATING THE COMMERCIAL DECARBONISATION OF INDUSTRY, RAPIDLY, PROFITABLY AND GLOBALLY.

OUR VALUES

Family	Enthusiasm
Empowerment	Safety
Frugality	Courage and Determination
Stretch Targets	Generating Ideas
Integrity	Humility

CONTENTS

Acknowledgement of Country

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

OVERVIEW

The Liebherr R 9400 E electric excavators are powered by a 6.6kV substation and more than two kilometres of high voltage trailing cable

EXECUTIVE CHAIRMAN MESSAGE

Ask heavy industry companies around the world when they will stop burning fossil fuels and nearly all can't give you a date.

Fortescue can. It is 2030.

We are resolutely committed to meeting our Real Zero target by 2030.

Doing this will see us eliminate fossil fuels from our operations without any reliance on voluntary carbon offsets.

Our progress can be tracked through our transparent annual reporting, which makes that target real.

To date, that progress has been extraordinary.

In FY24, our emissions were around 10 per cent less than what we forecasted.

We fully commissioned Australia's largest gas and liquid hydrogen plant at our Christmas Creek mine, which is now being used to refuel a fleet of fuel cell hydrogen-powered coaches and our zero emissions prototypes.

We tested our battery electric haul truck prototype, Roadrunner, at our Green Energy Hub at Christmas Creek and its hydrogen-powered equivalent is now undergoing similar testing after recently arriving in the Pilbara.

We have commenced commissioning of our 100 megawatt (MW) solar farm at North Star Junction near Iron Bridge, which will avoid up to 125,000 tonnes of carbon dioxide equivalent from our operations every year.

This is the first of more than one gigawatt (GW) of solar infrastructure that we will build before the end of the decade.

Our US$6.2 billion decarbonisation plan is translating our ambition into action.

While Fortescue pursues its Real Zero target, the global shift away from fossil fuels is at a critical juncture.

At the time of writing, every month since June 2023 – 13 months in a row – has ranked as the planet's hottest since records began. The most recent data suggested 2024 was on track to surpass 2023 as the world's hottest year.

Yet despite climate change continuing to wreak havoc around the world, Russia's invasion of Ukraine and war in the Middle East has allowed political and business leaders the excuse to slow or stop their own energy transition. Electricity prices have skyrocketed and energy policy settings in many countries are heavily influenced by fossil fuel lobbyists compounding and accelerating climate change against the interests of every living organism.

Fortescue has been alive to this. Since we launched our green hydrogen ambitions in 2020, we have been clear that our investments will flow to jurisdictions that most effectively manage long-term climate risk.

As we decarbonise Fortescue, we have reflected this focus through our commitment to developing four global green hydrogen projects.

The Arizona Hydrogen project in the United States and the Gladstone PEM50 Project in Australia were Fortescue's first Energy projects to reach Final Investment Decision (FID).

Two larger projects, the Holmaneset Project in Norway and the Pecém Project in Brazil, are progressing well towards FID.

Our landmark joint venture announced in April with Morocco's OCP Group, a global leader in plant nutrition and phosphate-based fertilisers, will provide an extraordinary opportunity to provide green hydrogen, ammonia and fertilisers, domestically and to Europe.

Each of these projects draw on the unique strengths of the countries they are in. They reflect jurisdictions which have done the hard work to reduce green power costs, incentivise job-creating investment and make overall project economics stack up.

Where green power prices aren't where they need to be, Fortescue is determined to work in genuine partnership with industry and government to drive prices down to enable green industry.

This includes in Australia, where the Hydrogen Production Tax Credit unveiled in May 2024 will be crucial to getting green hydrogen projects off the ground as quickly as possible.

Over the long term, Fortescue is taking a strong focus on the export of green metal to China. This plan could eliminate more than 200 million tonnes (Mt) per year from our Scope 3 emissions.

In June, Fortescue welcomed H.E. Li Qiang, Premier of the State Council of the People's Republic of China, to its green technology and test facility in Perth.

This historic visit provided a platform for continued engagement with China on the creation of an Australia-Sino green metal supply chain.

By meeting this market for green metal, Fortescue will become one of the world's largest consumers of green hydrogen. For example, the production of 100Mt of green metal will see us deploy around 8Mt of green hydrogen.

Our Christmas Creek Green Metal Project, which our Board approved in November 2023 with a US$50 million investment, will be crucial in proving this can be achieved at scale. We commenced works on the Project earlier this month.

And so, as we approach the halfway mark of the journey to our Real Zero 2030 target, this is where our focus is.

It is the responsibility of every company to join us in moving to a world that is no longer reliant on fossil fuels.

ENERGY CEO MESSAGE

MARK HUTCHINSON

We have a clear mission that unites us here at Fortescue. That is to show the world we can eliminate fossil fuels and do it profitably.

Our role is to be a leader, innovator and first mover in the energy transition, by becoming the world's leading green technology, energy and metals company.

However, we acknowledge that what we're doing is not easy.

Luckily, that is where Fortescue thrives.

This business was built over the last 20 years by testing limits and living in the uncomfortable. We create and use cutting edge, innovative technologies to do things no one thought was possible, and we've delivered large returns for our shareholders in the process.

We're taking those same skills and core Values created and honed in the Pilbara and applying them to our operations in the rest of the world, as we expand to become a truly global company.

There's no one doing what we are doing and what we are doing is real, not just talk.

We're making solid progress and showing others they can do it too.

Fortescue is steadfast in our commitment to the energy transition.

However, our financial discipline always comes first. We will never make investments that are not economically viable.

This year, Fortescue took three projects to Final Investment Decision (FID). We've turned the soil to launch Arizona Hydrogen, our green hydrogen plant in the United States and started work on Gladstone PEM50, a 50MW green hydrogen project utilising Fortescue's own electrolyser technology. Works have now started on a Green Metal Project at our Green Energy Hub at Christmas Creek, which will use green hydrogen to produce green metal.

Our Board has also agreed to fast-track two more projects, approving Early Investment Decisions to develop the front end engineering designs and approvals for our next green energy projects. Holmaneset is a green ammonia project in Norway, which has received backing and funding by the European Union, and our Pecém Green Hydrogen Project in Brazil.

On top of that, we have prospective projects in Oman, Morocco, Jordan and Egypt that will follow next.

These are massive achievements, and we won't be slowing down.

We must continue to move fast, be agile and deliver for our shareholders and our customers.

Longer term, we totally believe that green hydrogen is what the world ultimately needs and that is why we will continue to maintain a significant portfolio of potential projects. However, we are realistic about the pace of the current global energy transition.

As the green hydrogen market develops around the world, it is really clear that the cost of green power has to be cost effective to make projects viable. Therefore, where the power costs are not at this level, we will work steadfastly with those economies to help bring the costs of electricity down, by producing electrons.

We're creating a portfolio that is ambitious and develops complementary capabilities across the entire green energy value chain, from green electron and molecule production, to battery power systems, green technology development and of course green financing through Fortescue Capital.

This means we can maximise efficiencies, innovation, and create a real competitive leg-up on the competition, while also having the knowledge base, adaptability and optionality to quickly respond to shifts in market conditions and capitalise on emerging opportunities.

Being agile is what sets Fortescue apart.

We are leading with breakthrough technologies, and thanks to two decades of Fortescue experience, we also know how to deploy that technology in the real world.

That is our real advantage.

We officially opened our Gladstone Electrolyser Manufacturing Centre in Queensland earlier this year and started selling our electrolyser systems. The message came loud and clear from customers: Fortescue is a trusted and reliable brand and because we understand the systems that our products operate in, this is a clear competitive advantage.

Our longevity, balance sheet and financial discipline make us a unique alternative to other first movers.

So, we're applying that to our entire energy business.

The decarbonisation of Fortescue's mining operations by 2030 is putting us at the forefront of innovation once again.

Technology is the key to everything that we're doing.

We've developed the solutions in-house, joining together the best engineering minds from the UK with our on-the-ground experience in Australia to create our own Fortescue Zero technologies.

Electric excavators, hydrogen-powered and battery electric haul trucks, large fast chargers and some great battery software are already operating.

These green technologies will decarbonise Fortescue first, but we're already working to sell the same solutions and products to other heavy industry players who need to also eliminate their emissions.

What's clear is there is a huge demand and a gap in the market for what we're creating, and Fortescue is being recognised for leading the way.

The Green Pioneer is testament to that. Our dual-fuelled ammonia-powered vessel was a winner at this year's World Hydrogen Awards, after successfully completing trials and being certified in the Port of Singapore.

This is a significant milestone and brings the world one step closer to green shipping.

It is invigorating to come to work every day and be surrounded by a family of like-minded people, all pushing and driving this business to be better, do more and achieve what others think is impossible.

What we've done as a team this year is incredible, and it's just the beginning.

METALS CEO MESSAGE

DINO OTRANTO

Driven by an ongoing focus on productivity gains through innovation and technology, Fortescue has grown to become one of the world's lowest cost iron ore producers with more than two billion tonnes shipped to our customers since 2008. Our growth over the past two decades has been remarkable, testament to our never ever give up mindset at Fortescue.

We are a company just getting started with an even more prosperous future ahead in green technology, energy and metals.

It was another incredible production result for the Metals business this year, with full year shipments of 191.6Mt. Following the challenges resulting from an ore car derailment in December 2023, this result demonstrated our unique culture and Values in action.

Importantly, we did this while maintaining our laser focus on safety with a Total Recordable Injury Frequency Rate of 1.3 for Metals for the financial year – a 28 per cent improvement from FY23. A truly amazing result.

During the financial year, we celebrated the 20th anniversary since Fortescue was founded. Back then, we were a small exploration company and now, we rival some of the world's biggest iron ore players through our world class mining operations and infrastructure.

This year, we continued to ramp up commissioning of Iron Bridge – our most innovative iron ore project yet, and we achieved first ore from our Flying Fish deposit at our Eliwana mine. Globally, we have a pipeline of exploration projects underway, including in Latin America and Gabon as well as the Pilbara.

As the climate crisis poses a growing threat to our very existence, the need to reduce carbon emissions has never been more urgent. Decarbonisation is not merely a buzzword or a lofty goal. It's a moral imperative, an economic necessity and a pathway to a sustainable future. Fortescue's mission is to accelerate commercial decarbonisation of industry, rapidly, profitably and globally.

By 2030, our aim is to have our mining operations in the Pilbara running on green energy. It's a massive undertaking, but we can do it firstly because of the people we have, but also because of the technology we are developing at Fortescue Zero.

We are on track to meet our 2030 emissions reduction target with several milestones achieved during the financial year. We have now commissioned Australia's largest gaseous and liquid hydrogen plant on a mine site, which can produce around 530 kilograms of hydrogen gas per day. This renewable hydrogen plant is versatile, enabling us to produce gaseous and liquid hydrogen to be used to power our mining equipment prototypes and refuel our fleet of hydrogen-powered fuel cell coaches at Christmas Creek.

Already, we have three electric excavators operating across our sites which are powered by a 6.6kV substation and more than two kilometres of high voltage trailing cable. Once we decarbonise our entire excavator fleet, around 95 million litres of diesel will be removed from our operations every year.

We now have both our hydrogen-powered and battery electric haul truck prototypes at the Pilbara completing site-based testing.

Our progress on decarbonisation is evident right across the business. This year, our aerodrome at Cloudbreak became the first in Australia to have a fully operational, solar-powered airfield lighting system. The changeout of the 120 airfield lights to solar will result in a 20 per cent reduction in power generation and diesel usage at our airstrip, while delivering maintenance and cost benefits, as well as safety improvements.

We see decarbonisation as a significant opportunity for our business that will deliver cost savings and create a more resilient supply chain that is less vulnerable to regulatory changes.

Which brings me to green metal.

Right now, we are on the brink of a transformative moment in the history of industry – the rise of green metal.

Pivoting to producing green metal is the next step for us. It represents a departure from the status quo and entails adopting innovative technologies to drastically reduce emissions while rethinking the entire iron and steel value chain.

This year we have commenced works on a Green Metal Project at our Green Energy Hub at Christmas Creek. With first production targeted next year, the plant will use green hydrogen produced at our existing hydrogen facility to produce high purity green metal that will be suitable for use in almost any steel plant globally.

This is an incredibly exciting project for Fortescue and has the potential to open new markets for us. As we look to the future, we remain committed to delivering long-term value for our shareholders and stakeholders.

At Fortescue, we don't fear challenges. Instead, we embrace them and tackle them head on.

Our progress to date on decarbonising demonstrates the power of human ingenuity and what can be achieved when great minds come together.

I would like to thank our more than 15,000 team members globally who make up the Fortescue Family. Our strong performance this year would not have been possible without their dedication and commitment to achieving our stretch targets every day.

As we continue this exciting phase of growth in Fortescue's journey, our work will always be underpinned by our unique culture and Values.

Thank you for your continued support.

OUR BOARD

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

Dr Andrew Forrest AO
Executive Chairman

Mark Barnaba AM CitWA
Non-Executive Director and Lead Independent Director/ Deputy Chair[4]

Elizabeth Gaines
Executive Director and Global Ambassador Fortescue

Lord Sebastian Coe CH, KBE
Non-Executive Director

Penny Bingham-Hall
Non-Executive Director

Dr Jean Baderschneider
Non-Executive Director

Yifei Li
Non-Executive Director

Dr Larry Marshall
Non-Executive Director[1,4]

Usha Rao-Monari
Non-Executive Director[2]

Noel Pearson
Non-Executive Director[3]

[1] Dr Larry Marshall was appointed Non-Executive Director on 28 August 2023
[2] Usha Rao-Monari was appointed Non-Executive Director on 24 January 2024
[3] Noel Pearson was appointed Non-Executive Director on 1 August 2024

[4] Dr Larry Marshall will be appointed as Lead Independent Director on the date of the AGM, 6 November 2024. Mark Barnaba will continue as non-executive director and Deputy Chair.

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

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

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

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

This includes:

- Opportunities for significant contribution to the annual strategy setting process conducted with executive and senior management.
- Regular briefings from executive and senior management regarding all major business areas, tailored site visits and annual site tours to operations.
- Visits to meet with key customers that strengthen their understanding of the Company's key markets.
- Regular formal and informal opportunities for the directors to meet with management and staff.

The Board has established committees to assist in the execution of its duties and to ensure that important and complex issues are given appropriate consideration. The primary committees of the Board are the Remuneration and People Committee, the Audit, Risk Management and Sustainability Committee, the Nomination Committee and the Finance Committee.[1]

Each committee has a non-executive chair and operates under its own charter which has been approved by the Board.

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

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

The Board and each of its committees have established a process to evaluate their performance annually. The process is based on a formal questionnaire covering a range of performance topics. The process is managed by the Company Secretary under the direction of the Lead Independent Director. The most recent review was undertaken in June 2024.

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

At 30 June 2024, the Board has seven non-executive directors and two executive directors, being Dr Andrew Forrest AO, Fortescue's Executive Chairman, and Elizabeth Gaines, Executive Director and Global Ambassador Fortescue. The Board believes that an appropriate mix of non-executive and executive directors is beneficial to its role and provides strong operational and financial insights to support the business.

The Board appointed Noel Pearson as a non-executive director on 1 August 2024.

[1] Effective 1 July 2024, the Board has implemented a new Committee structure, with the following Board Committees: (a) Audit, Finance and Risk Management Committee, (b) People, Remuneration and Nomination Committee, (c) Safety and Sustainability Committee

OUR BOARD

Dr Andrew Forrest AO

Executive Chairman

Executive Chairman and Founder of Fortescue, Minderoo Foundation, and Tattarang

Dr Andrew Forrest AO is a global business and philanthropic leader dedicated to ending the use of fossil fuels, creating green energy solutions and tackling global challenges like climate change, conflict response, modern slavery and oceanic destruction through overfishing and plastic pollution.

In 2003, Dr Forrest founded Fortescue Metals Group in Western Australia. 21 years later, Fortescue is one of the world's largest iron ore producers and a global green technology, energy and mining group with a laser focus on accelerating the commercial decarbonisation of industry.

Under Dr Forrest's leadership, Fortescue has developed some of the world's most efficient and lowest cost mining infrastructure, rolled out world-leading green mining equipment across its Pilbara operations and become the company globally with a plan to achieve Real Zero – elimination of fossil fuels and carbon offsets – on its Australian mine sites by 2030.

Through Tattarang, Dr Forrest owns Squadron Energy, Australia's largest renewable energy developer, delivering 30 per cent of the Federal Government's 2030 82 per cent renewables target. Squadron has five utility-scale wind farms in operation, delivering 1.1 gigawatts of green energy, 900 megawatts under construction and is working to build enough renewable energy to power the equivalent of six million Australian homes by the end of the decade.

Dr Forrest's other commercial interests reflect his dedication to the economic livelihood of all Australians across sustainable agriculture and food production, critical minerals, health technology and manufacturing, including investing in iconic Australian brands, R.M.Williams and Akubra, to ensure they stay in Australian hands and grow their legacy of exceptional local craftsmanship.

Dr Forrest established Minderoo Foundation in 2001 and is a member of the Giving Pledge, committing to give away his wealth over his lifetime. With an endowment that now exceeds AU$9 billion, the Foundation focuses on global challenges, such as climate change, ending plastic pollution, urgent humanitarian responses, gender equality and returning our natural ecosystems to a healthy state.

Minderoo Foundation rapidly responds to both Australian and global crises including providing more than AU$70 million in the aftermath of the 2019/20 bushfires, AU$19 million to help get humanitarian aid to civilian populations in Gaza, and AU$20 million to assist the people of Ukraine, as well as a commitment to provide US$500 million in funding to kickstart post-war reconstruction.

Dr Forrest has a PhD in Marine Ecology, serves as an IUCN Patron of Nature and was appointed an Officer of the Order of Australia for distinguished service to philanthropy, mining, employment, and sustainable foreign investment.

In 2013, Dr Forrest was appointed by Australia's Department of the Prime Minister and Cabinet to lead the country's response to tackling Indigenous disparity. Dr Forrest is also Co-Chair of the Australia-China Senior Business Leaders' Forum and a Board Member for the Boao Forum.

Mark Barnaba AM CitWA

Lead Independent Director, Deputy Chairman, Non-Executive Director

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

Mr Barnaba is the Deputy Chairman, Lead Independent Director and Chairman of the Audit, Finance and Risk Management Committee[1] and sits on the advisory board of Fortescue Capital (a third party Asset Manager) at Fortescue Ltd (ASX:FMG). He is Chairman of Greatland Gold PLC (LSE:GGP) and is also Chairman of Airtrunk (a cloud-based data centre company operating in Asia-Pacific and Japan). Mark chairs the Hospital Benefit Fund (HBF) Investment Committee and is a member of the Board of The Centre for Independent Studies.

Mr Barnaba brings a wealth of international experience as an entrepreneur, corporate advisor and independent director for organisations across the finance, technology, infrastructure, natural resources, sports administration and education sectors. He has extensive and particularly diverse experience at board level in both the for-profit and non-profit sectors.

Mr Barnaba was previously on the Board of Australia's central bank, the Reserve Bank of Australia (RBA), for two terms, and is a former Chairman of the Audit Committee of the RBA. He has previously chaired several publicly listed Australian companies within the mining and infrastructure sectors along with chairing non-profit organisations and was a former Chairman of the State Theatre Company of Western Australia, the West Coast Eagles (AFL team) and Williams Advanced Engineering (UK based offshoot of the Williams F1 team).

In 2009, Mr Barnaba was the recipient of the WA Citizen of the Year Award in Industry and Commerce and in 2015 was named a Member of the General Division of the Order of Australia (AM) for significant service to the investment banking and financial sector, to business education and to sporting and cultural organisations.

In his executive career, Mr Barnaba founded, led and sold two companies – GEM Consulting and Azure Capital (both independent corporate advisory firms which provide financial, corporate and strategic advice to public and private organisations in the Asia Pacific region). He also held several senior executive roles at Macquarie Group (one being the Chairman and Global Head of the Natural Resources Group). He previously worked at McKinsey & Company in their London, Johannesburg and Sydney offices.

Mr Barnaba was the inaugural Chairman of the University of Western Australia Business School Board from 2002 to 2020 and currently serves as an Adjunct Professor in Finance. He holds a Bachelor of Commerce (First Class Honours and University Medal) from the University of Western Australia, an MBA from Harvard Business School (High Distinction; Baker Scholar) and has an Honorary Doctor of Commerce from the University of Western Australia. He has lived in Australia, the United States, Italy, the United Kingdom and South Africa and is married with two children.

Committee memberships:

Audit, Finance and Risk Management Committee[1] (Chair), People, Remuneration and Nomination Committee[2] (Member), Safety and Sustainability Committee[3] (Member)

[1]Prior to 1 July 2024 Audit, Risk Management and Sustainability Committee

[2]Prior to 1 July 2024 People and Remuneration Committee

[3]New committee established for FY25

Elizabeth Gaines

Executive Director and Global Ambassador Fortescue

Former Chief Executive Officer and Managing Director from February 2018 to August 2022

Former Executive Director from February 2017 to August 2022 and July 2023 to current

Former Non-Executive Director from February 2013 to February 2017 and September 2022 to June 2023

Ms Gaines led Fortescue as Chief Executive Officer and Managing Director from February 2018 to August 2022, after joining the Executive team as Chief Financial Officer in February 2017.

A highly experienced business leader, Ms Gaines has extensive international experience in all aspects of financial and commercial management. Ms Gaines has significant experience in the resources sector and exposure to the impact of the growth in Asian economies, particularly China, on the Australian business environment and economy as well as a deep understanding of all aspects of financial and commercial management at a senior executive level in both listed and private companies. Ms Gaines has extensive exposure to the drive to transition to green energy and has been a key driver of the goal to decarbonise Fortescue's mining operations by 2030.

Ms Gaines is a part time Executive Director and Global Ambassador for Fortescue. She is a Non-Executive Director and Deputy Chair of Greatland Gold PLC, a Non-Executive Director of the Victor Chang Cardiac Research Institute and a Non-Executive Director and Deputy Chair of the West Coast Eagles (AFL) Football Club.

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

Ms Gaines is a former Chief Executive Officer of Helloworld Limited and Heytesbury Pty Limited and has previously held Non-Executive Director roles with Nine Entertainment Co. Holdings Limited, NEXTDC Limited, Mantra Group Limited and ImpediMed Limited.

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

Lord Sebastian Coe CH, KBE

Non-Executive Director

Non-Executive Director since February 2018

Based in Monaco, Lord Coe is the Vice Chairman of Wasserman, formerly known as CSM Sport and Entertainment.

Lord Coe serves as Non-Executive Director of Allwyn Entertainment AG.

He was elected President of the International Association of Athletics Federations in 2015 (now World Athletics) where he is driving significant governance reforms through the organisation and its 214 Member Federations around the world. Coe is currently serving his third term as President. He was elected as a member of the International Olympic Committee in 2020, and became a director of the British Olympic Association at that time, having previously served as Chairman of the British Olympic Association from 2012 to 2016.

Lord Coe previously served as Chairman of the Organising Committee for the London 2012 Olympic Games and Paralympic Games. He was a member of the British athletics team at the 1980 and 1984 Olympic Games where he won two gold and two silver medals, as well as breaking 12 world records.

In 1992, Lord Coe became a Member of Parliament and during his political career served as a Government Whip and then Private Secretary to William Hague, Leader of the Opposition and Leader of the Conservative Party. He was appointed to The House of Lords in 2000 having resigned in 2022.

In 2017, he became Chancellor of Loughborough University having previously served as Pro Chancellor of the University.

Committee memberships:

People, Remuneration and Nomination Committee[1] (Member)

[1]Prior to 1 July 2024 People and Remuneration Committee

OUR BOARD

Dr Jean Baderschneider

Non-Executive Director

Non-Executive Director since January 2015

A highly regarded leader in both business and civil society, Dr Baderschneider brings 35 years of extensive international experience in supply chain operations and procurement, strategic sourcing and logistics management, along with a deep understanding of high-risk operations and locations and complex partnerships. She also has global experience in safety, security and environmental operations and sustainability stewardship.

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

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

Dr Baderschneider is a member of the International Advisory Committee to the 2024 Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change (UNFCCC). She is also the President of the Board of Trustees of The President Lincoln's Cottage and a member of the Abraham Lincoln National Council of Ford Theatre. In addition, she is on the Board of Directors of the Nizami Ganjavi International Center, the Board of Directors of the McCain Institute and is a Commissioner on the United Nations and Liechtenstein Financial Sector Commission on Modern Slavery. With over 17 years of experience working on anti-human trafficking efforts globally, she served on the Board of Directors of Polaris, Made in a Free World and Verité and is a Founding Board member and Chair of the Global Fund to End Modern Slavery.

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

Committee memberships:

Audit, Finance and Risk Management Committee[1] (Member), People, Remuneration and Nomination Committee[2] (Member) Safety and Sustainability Committee[3] (Chair)

[1]Prior to 1 July 2024 Audit, Risk Management and Sustainability Committee

[2]Prior to 1 July 2024 People and Remuneration Committee

[3]New committee established for FY25

Penny Bingham-Hall

Non-Executive Director

Non-Executive Director since November 2016

Ms Bingham-Hall has over 30 years' experience in senior executive and non-executive roles in large ASX listed companies. She is Chair of Vocus Group and Co-Chair of Supply Nation and a Non-Executive Director of Fortescue. She is also the Deputy Chair of both the Advisory Council of the Climate Governance Initiative, Australia and the Salaam Foundation.

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

She recently retired from the Board of Dexus Property Group and is a former director of BlueScope Steel Limited, Australia Post, Port Authority of NSW and Macquarie Specialised Asset Management. Ms Bingham-Hall was also Chair of Taronga Conservation Society Australia, the NSW Freight and Logistics Advisory Council, the inaugural Chair of Advocacy Services Australia, Deputy Chair and Life Member of the Tourism & Transport Forum and a director of Infrastructure Partnerships Australia, SCEGGS Darlinghurst Limited and the Global Foundation.

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

Committee memberships:

People, Remuneration and Nomination Committee[1] (Chair), Audit, Finance and Risk Management Committee[2] (Member), Safety and Sustainability Committee[3] (Member)

[1]Prior to 1 July 2024 Remuneration and People Committee

[2]Prior to 1 July 2024 Audit, Risk Management and Sustainability Committee

[3]New committee implemented in FY25

Dr Larry Marshall, FF, FAICD, FAIP, FTSE

Non-Executive Director

Non-Executive Director since August 2023

Dr Larry Marshall chairs AmCham, the American Chamber of Commerce, sits on the boards of Nanosonics (ASX:NAN), Australian National University, Great Barrier Reef Foundation, and on the Australian Government's Circular Economy Ministerial Advisory Group, and formerly on the Prime Ministers Science & Technology Council, and SITAG, the COVID Vaccines and Treatments Committee of the Federal Government.

He is the longest serving Chief Executive of CSIRO, and led a transformation which achieved the first growth in 30 years, doubled the value delivered to stakeholders, and made CSIRO the first Australian entity to reach the Thompson Reuters Global Top 20 Innovators List.

Dr Marshall has a PhD in Physics and has been honoured for both his business acumen as a Fellow of the Australian Institute of Company Directors and also his Technology and Engineering acumen as a Federation Fellow, and Fellow of the Australian Institute of Physics (AIP) and Academy of Technological Sciences and Engineering (ATSE), and an inaugural Male Champion of Change STEM (science, technology, engineering and mathematics). He is an ambassador of Advance representing the one million Australians living abroad, and has been listed as an Australian top 10 digital entrepreneur, and in Australia's top 10 most influential people in tech.

He has co-founded and led six companies in Biotech, Telecom, Semi and Venture Capital. He has 100 publications and conference papers, holds 20 patents and has served on 20 boards of high-tech companies operating in the United States, Australia and China.

Dr Marshall is the author of the 2023 book, *Invention to Innovation: How Scientists Can Drive Our Economy*, which charts a course for Australian business to disrupt their market, defeat competition and accelerate economic growth by using science driven innovation.

Committee memberships:

Audit, Finance and Risk Management Committee[1] (Member), Safety and Sustainability Committee[2] (Member)

[1]Prior to 1 July 2024 Audit, Risk Management and Sustainability Committee

[2]New committee established for FY25

Ms Yifei Li

Non-Executive Director

Non-Executive Director since August 2022

Ms Yifei Li is the President of the QiBin Foundation and currently serves on the board of BlackRock China.

Ms Li was a Global Trustee of the Rockefeller Foundation and was an Independent Board member of GAVI (The Global Alliance for Vaccines and Immunisation) from 2012 to 2018 and was formerly the Country Chair for Man Group in China, one of the world's largest hedge fund managers.

Before joining Man Group, Ms Li had over 18 years of senior management experience, having successfully led the expansion of several multinational companies in China, including Viacom, MTV networks and VivaKi of Publicis Group.

Ms Li has a Bachelor of Law from the Foreign Affairs College in Beijing and an MA in International Relations from Baylor University in the United States.

Committee memberships:

People, Remuneration and Nomination Committee[1] (Member)

[1] Prior to 1 July 2024 People and Remuneration Committee

Usha Rao-Monari

Non-Executive Director

Non-Executive Director since January 2024

Ms Rao-Monari is a senior infrastructure investment professional with over 25 years of experience leading investment platforms and departments within asset investment and management organisations.

She has held various leadership positions in the United Nations, Blackstone Group, Global Water Development Partners, and the International Finance Corporation.

Ms Rao-Monari currently serves as a Member of the Environmental Steering Committee for NEOM, Saudi Arabia; Member of the International Advisory Panel on Carbon Credits, Singapore; Commissioner of Global Commission on the Economics of Water, Netherlands, and Co-Chair of the Voluntary Carbon Markets Integrity Initiative.

Ms Rao-Monari has also been involved in several global initiatives and partnerships on water resources, clean energy, resource efficiency and environmental issues such as the 2030 Water Resources Group, the World Economic Forum Global Agenda Councils and the CDP North America where she facilitated dialogue, innovation and solutions among public, private and civil society actors.

She has a Masters in International Affairs and Finance from Columbia University, a Masters in Management Studies from Jamnalal Bajaj Institute of Management, and a BA Honours Economics from Delhi University, and has completed the Program for Management Development at Harvard Business School.

Committee memberships:

Audit, Finance and Risk Management Committee[1] (Member), (Member) Safety and Sustainability Committee (Member)[3]

[1]Prior to 1 July 2024 Audit, Risk Management and Sustainability Committee

[3]New committee established for FY25

Noel Pearson

Non-Executive Director

Non-Executive Director effective 1 August 2024

Mr Pearson comes from the Guugu Yimithirr community of Hope Vale, on the south eastern Cape York Peninsula.

Mr Pearson is a prominent Australian Indigenous leader, social advocate and lawyer. For over 30 years Mr Pearson has pursued key agenda to achieve land rights and socioeconomic development outcomes for Cape York.

Mr Pearson co-founded the Cape York Land Council and negotiated with the Keating government to establish the Native Title Act 1993 after the High Court's landmark Mabo decision rejected the fiction of terra nullius.

He is the Founder of the Cape York Partnership - a non-profit Indigenous organisation working in the areas of policy, empowerment, health, language and culture; and the Good to Great Schools Australia program, which aims to lift education outcomes for all Australian Students.

Mr Pearson served as a member of the Expert Panel on Constitutional Recognition of Indigenous Australians and the Referendum Council and continues to advocate for structural reforms to empower Indigenous people.

Mr Pearson holds a degree in History and Law from Sydney University.

Mona Gill

Company Secretary

Effective 17 July 2024

Ms Gill was appointed Company Secretary in July 2024, bringing 20 years of experience through legal and compliance roles in government and private practice. Ms Gill holds a Bachelor of Laws and Bachelor of Science from the University of Western Australia, a Masters in Laws from the University of New South Wales and is a graduate of the Australian Institute of Company Directors.

LEADERSHIP TEAM

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

Mark Hutchinson
Chief Executive Officer,
Fortescue Energy

Dino Otranto
Chief Executive Officer,
Fortescue Metals

Apple Paget
Group Chief Financial Officer

Shelley Robertson
Chief Operating Officer

THE LEADERSHIP TEAM

Mark Hutchinson

Chief Executive Officer, Fortescue Energy

Mr Hutchinson commenced with Fortescue in July 2022 as Director of Projects before being appointed Fortescue Energy CEO in August 2022.

Mr Hutchinson's focus as CEO is to drive growth in Fortescue Energy which is building a global portfolio of renewable green hydrogen and green ammonia projects and developing green technology solutions. In 2024, the team is focused on accelerating projects in Morocco, Norway, the USA, Brazil and Australia.

Mr Hutchinson brings extensive business and leadership experience at a senior executive level, having held various roles at GE over a 25-year career, the two most recent as President and Chief Executive Officer China and Europe. In these roles Mr Hutchinson led the efforts to strengthen GE's operations across China and Europe and developed and executed a shared growth strategy for all the GE businesses which helped to drive significant growth, year on year. Following its €12.35 billion acquisition, Mark led the integration of Alstom's power and grid businesses into GE.

A highly experienced international business leader with a passion for Environmental, Social and Governance (ESG), Mr Hutchinson sits on the Board of Alpha International and has previously held a Board position at World Wide Generation Limited, and Non-Executive Director roles at Bluescope Steel Limited, Mission Australia, Allianz Australia Insurance Limited and Alpha Australia.

Mr Hutchinson holds an honorary Doctor of Business from the University of Queensland, where he is the primary sponsor of the Ethics Chair.

Dino Otranto

Chief Executive Officer, Fortescue Metals

Mr Otranto joined Fortescue in 2021 as Chief Operating Officer Iron Ore before becoming Fortescue Metal's CEO in August 2023. With a career in the resources industry spanning 20 years and a range of commodities and operations across the globe, Mr Otranto brings significant operational, technical and financial expertise and a strong focus on safety, values and employee engagement.

Mr Otranto is leading Fortescue Metals through a period of rapid growth, including the implementation of large-scale decarbonisation technologies along with the development of a new mining operation in Gabon, Africa.

Prior to joining Fortescue, Mr Otranto held the role of Chief Operating Officer at Vale Base Metals, leading their North American, European and Asian nickel and copper businesses, which encompasses a global network of underground and open pit mines, smelters, refineries, power stations, port and rail infrastructure.

Mr Otranto holds a Bachelor of Engineering (Chemical) and a Bachelor of Science (Chemistry) from Curtin University and a Graduate Diploma of Finance from the Financial Services Institute of Australasia.

Apple Paget

Group Chief Financial Officer

Ms Paget joined the Company in January 2023 as Group Manager Finance & Tax. She was appointed Acting Chief Financial Officer of Fortescue Metals in August 2023 and Group Chief Financial Officer in July 2024.

Ms Paget is a finance executive with 25 years experience in the dynamic landscape of multinational resource companies spanning finance, tax, treasury, commercial, business evaluation, and acquisitions and divestments.

She has been involved in transformative offshore renewable wind and green hydrogen projects and has a strong interest in sustainability and forging pathways towards a greener, more resilient future.

Prior to joining Fortescue, Ms Paget was a key member of TotalEnergies Australia's Leadership team and a senior finance member of ConocoPhillips Australia.

Ms Paget holds a Bachelor of Commerce from the University of Western Australia, is a qualified Chartered Accountant (CA), a member of the Institute of Chartered Accountants Australia & New Zealand and a Chartered Tax Advisor (CTA) with the Tax Institute.

Shelley Robertson

Chief Operating Officer

Ms Robertson joined Fortescue in October 2023. She is an experienced executive with a successful career spanning 30 years in oil and gas, mining and renewable energy.

Ms Robertson is known for delivering effective, inclusive leadership that drives results-oriented business transformation. Before joining Fortescue, Shelley was Executive General Manager – Energy at Mineral Resources, where she was responsible for the strategic oversight of the oil and gas exploration and development portfolio, and for providing oversight of energy solutions for existing mining operations and new projects. Prior to this, Shelley was Chief Executive Officer of Norwest Energy, an ASX-listed oil and gas exploration company.

Ms Robertson has a Bachelor of Science from Murdoch University, a postgraduate Diploma (Petroleum Engineering) from UNSW, a Master's of Business Administration (Oil and Gas) from Curtin University and is a graduate of the Australian Institute of Company Directors (with Order of Merit).

ABOUT FORTESCUE

We are the technology, energy and metals group accelerating the commercial decarbonisation of industry, rapidly, profitably and globally.

Our Metals business comprises our iron ore operations in the Pilbara as well as a pipeline of exploration projects globally including in Gabon in Africa, Latin America and Australia.

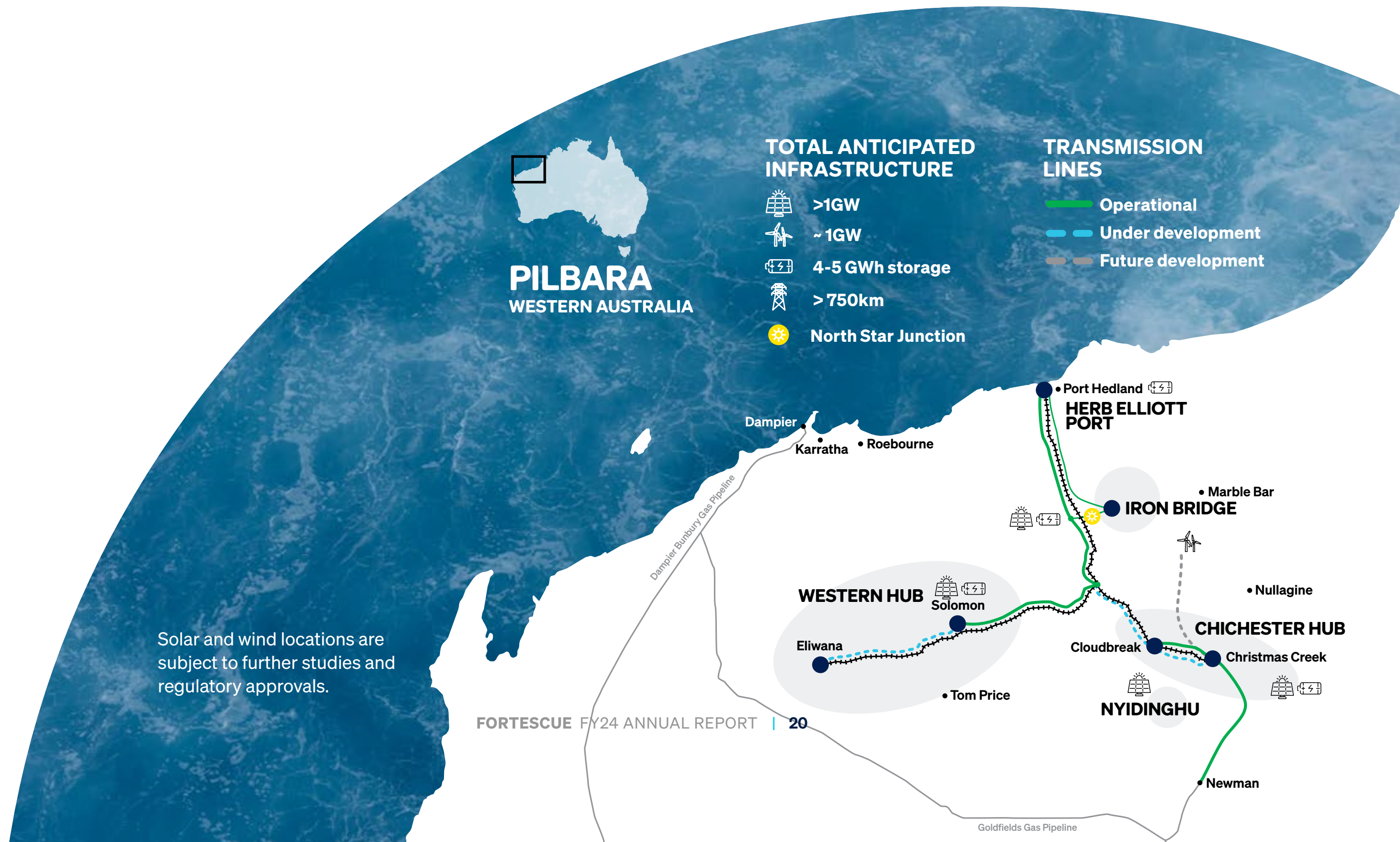
Our three Pilbara mining hubs are connected by 760 kilometres (km) of rail to Herb Elliott Port and the Judith Street Harbour towage infrastructure in Port Hedland. As a major supplier of iron ore to the Chinese steel industry, we are now shipping at an annual rate of over 190 million tonnes (Mt) with more than two billion tonnes of iron ore shipped since 2008.

By 2030, our target is to have our Australian iron ore operations running on green energy and achieve Real Zero Scope 1 and 2 terrestrial emissions. Separately, we have a net zero Scope 3 emissions target by 2040, addressing emissions across our value chain.

Our Energy business is building a global portfolio of renewable green hydrogen and green ammonia projects and developing green technology solutions. Our Fortescue Zero technologies are also being developed to be sold to others to further support the elimination of fossil fuel use globally.

To support funding of our projects, we have established a green energy investment accelerator platform, Fortescue Capital, that is headquartered in New York.

As our business develops globally, our commitment to building thriving communities expands with us. Delivering positive social and economic change through training, employment and business development opportunities is a key focus for Fortescue. This is evident through initiatives such as our Billion Opportunities program which has awarded more than A$5 billion in contracts to Australian First Nations businesses since it was established in 2011.



METALS

ONE OF THE WORLD'S LARGEST PRODUCERS OF IRON ORE

Established in 2003, Fortescue was founded as a metals company. Since our first ore was produced at Cloudbreak in 2005, we have expanded our Pilbara mining operations, delivering both hematite and magnetite products to the international market.

HEDLAND OPERATIONS

Our Herb Elliott Port at Port Hedland includes five operating berths with current approvals to export up to 210 million tonnes per annum (mtpa) of iron ore.

Our fleet of 10 tugs, based at our Judith Street Harbour towage facility, is critical to the safe operation of our shipping activities, including our fleet of eight 260,000t-capacity Fortescue ore carriers.

Each year, we load and ship more than 970 carriers of iron ore from Herb Elliott Port, significantly contributing to Port Hedland's status as the world's largest bulk export port by tonnage.

CHICHESTER HUB

Our Chichester Hub in the Chichester Ranges includes two mines, Cloudbreak and Christmas Creek, which have an annual production capacity of around 100mtpa from three ore processing facilities (OPFs).

Trial iron ore mining commenced at Cloudbreak in October 2005 followed by first iron ore production in May 2008. Christmas Creek is now home to Fortescue's Green Energy Hub and is the site of the Green Metal Project.

A 60 megawatt (MW) solar farm contributes power to daytime operations at the Chichester Hub, displacing around 100ML of diesel every year.

WESTERN HUB

Our Western Hub includes two mines – Solomon and Eliwana – near the Hamersley Ranges 60km north of Tom Price and 120km west of the Chichester Hub.

Solomon commenced operation in 2012, while Eliwana (located 140km west of Solomon) opened in December 2020. With its innovative low profile designed OPF and dual stacker reclaimer, Eliwana has the capacity to direct load up to 9,000 tonnes (t) per hour.

Together, these mines have a production capacity of around 100mtpa.

IRON BRIDGE

Iron Bridge is Fortescue's first magnetite mining operation and is located 145km south of Port Hedland.

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

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

GREEN METAL PROJECT

Located at Christmas Creek, the Green Metal Project represents a significant step forward in Fortescue's ambition to produce green metal at a commercial scale in the Pilbara.

It will use renewable energy and green hydrogen reduction technology together with an electric smelting furnace to produce high-purity green metal that will be suitable for use in almost any steel plant globally.

Fortescue defines 'green metal' as metal ore mined and processed into metal using renewable energy and with near zero carbon emissions. This green metal definition similarly applies to processing iron ore into iron.

Using hydrogen produced at our existing hydrogen facility at Christmas Creek, annual production is expected to be more than 1,500t, with first production anticipated in 2025.

Locating the project at Christmas Creek will allow Fortescue to demonstrate a 'green pit to product' supply chain, with the Company's green mining fleet able to be paired with green metal making. The ironmaking technology will support Fortescue's magnetite and hematite ores.

INTEGRATED OPERATIONS

Our Fortescue Hive is a purpose-built integrated operations centre in Perth which brings together people, process and technology across our supply chain.

The Hive operates 24 hours a day, seven days a week, using advanced mining technology to remotely and safely control fixed plant and autonomous mining equipment, as well as our port and rail facilities across our Pilbara operations.

The Hive was commissioned in March 2020. It includes four specialist departments – Mine Control and Systems (autonomous drills and haul trucks), Port and OPF Control, Instrumentation and Process Control, and Energy Operations.

The Hive is a key launchpad for artificial intelligence (AI) at Fortescue, which is driving significant value across the business. This includes using AI to predict outcomes and support better decision-making, optimise plans and schedules and improve overall performance.

RENEWABLE POWER AT OUR MINING OPERATIONS

Through our Pilbara Energy Connect (PEC) project, we have integrated our stationary energy requirements in the Pilbara into an efficient network. The initial phase included the construction of a 100MW solar farm at North Star Junction, and 500km of transmission lines and associated substations. This is the first of around 1.5 gigawatts (GW) that we will build before the end of the decade.

As we continue to decarbonise our operations, our focus is now on expanding the PEC infrastructure to provide an integrated transmission network that will enable renewable electricity generated at any of Fortescue's sites to move between our operations.

To date, the following decarbonisation projects have commenced:

1. Construction of approximately 140km of 220 kilovolt (kV) transmission lines, and necessary substations, to supply both our Eliwana and Flying Fish mining hubs
2. Early design and procurement for approximately 110km of 220kV transmission lines and associated substations, to supply our Cloudbreak and Christmas Creek mines
3. Design of the Cloudbreak 130MW solar farm
4. The installation of the 50MW/250MWh Battery Energy Storage System (BESS) to support the North Star Junction solar plant, and provide renewable energy at night
5. The design and construction of a 20MW/120MWh BESS to support the Eliwana and Flying Fish mining hubs, and provide renewable energy at night.

BELINGA IRON ORE PROJECT, GABON

The Belinga Project in north-east Gabon is potentially one of the largest undeveloped high grade hematite deposits in the world. Fortescue began exploration in 2022 with activities focused on exploration drilling to support a feasibility study. First ore was shipped during the pilot production phase in FY24 and the current focus is on exploration and studies.

Delivering local opportunities for the people of Gabon is a top priority.

Ivindo Iron SA is the operating entity for the Belinga Project, with Fortescue holding a 72 per cent direct interest in the company.

CRITICAL MINERALS AND IRON ORE EXPLORATION

Fortescue was founded as an exploration company and we still believe that early stage exploration is the key to unlocking significant value. Fortescue holds the largest tenement portfolio in the Pilbara region of Western Australia. The resources in both the Western Hub and Eastern Hamersley include significant amounts of high iron content bedded iron ore, adding dry, low-cost tonnes to Fortescue's resource inventory. During FY24, activities focused on advanced exploration at Mindy South, Wyloo North and White Knight. In addition, near-mine exploration continues to be a focus at both Solomon and the Chichester Hub.

In the critical minerals portfolio, Fortescue has an exploration focus on copper, lithium and rare earths. Exploration drilling is active in multiple jurisdictions, including Argentina, Chile, Brazil, Peru and Australia. Other exploration activities are progressing across the broader Latin American portfolio, and in Australia, Canada and Portugal.

ENERGY

Developing green energy projects to help the world eliminate fossil fuels

Fortescue Energy is our global green energy business focused on producing profitable green energy projects and the green technologies needed to accelerate global decarbonisation.

Fortescue Energy comprises the integrated segments of Green Energy, Fortescue Zero and Fortescue Capital.

GREEN ENERGY

Fortescue is committed to green hydrogen and its derivatives, maintaining a portfolio of projects which show significant potential for decarbonisation and economic growth. These projects will progress as power prices fall sufficiently to bring them to economic viability, and the global demand for green hydrogen increases.

As we lead the world in industrial decarbonisation, we will focus initially on four green hydrogen projects across Australia, the United States of America (USA), Norway and Brazil. Fortescue also has prospective projects in Morocco, Oman, Egypt and Jordan under consideration.

ARIZONA HYDROGEN, USA

Located in Buckeye, Arizona, the Arizona Hydrogen project is Fortescue's first venture into liquid green hydrogen production in the USA.

This fast-to-market project is set to commence construction in the second half of 2024 and is expected to achieve first production of liquid green hydrogen in 2026. The 80MW Stage One plans to produce up to 30t of green hydrogen per day.

Arizona Hydrogen is strategically positioned to contribute to the decarbonisation of the heavy-duty road transportation sector in the USA. The projects will also help to provide a solution to California's Advanced Clean Fleets regulation, which prohibits the sale of internal combustion engine trucks beginning in 2036, further boosting demand for hydrogen fuel cell vehicles and liquid green hydrogen.

HOLMANESET PROJECT, NORWAY

The Holmaneset Project is in the feasibility phase, moving quickly towards a FID on a 300MW green ammonia facility.

Renewable energy has been secured via a long-term conditional Power Purchase Agreement with Statkraft and the project is currently targeting construction to commence in 2025 and operations as early as 2027.

The Holmaneset project has been awarded a grant of up to €204 million from the EU Innovation Fund.

PECÉM PROJECT, BRAZIL

Pecém is a green hydrogen project which will be based at the Industrial and Port Complex of Pecém, Ceará.

The Project has advanced to the feasibility phase and commenced the front end engineering design process.

Pecém will have an estimated production capacity of 837t of green hydrogen per day.

GLADSTONE PEM50 PROJECT, QUEENSLAND, AUSTRALIA

The Gladstone PEM50 Project is a two-stage 50MW green hydrogen project which will operate alongside Fortescue's Gladstone Electrolyser Manufacturing (GEM) Centre.

PEM50 will use Fortescue's own Proton Exchange Membrane (PEM) technology to produce up to 22t of green hydrogen per day when operational.

Construction of the US$150million facility commenced in 2024, with first production of green hydrogen expected in 2025.

FORTESCUE ZERO

Technical excellence and innovation is at the heart of everything that Fortescue does.

Fortescue Zero is the green technology and engineering services business, creating the solutions required to enable a zero emissions future. It is the driver for technical innovation, engineering, testing and manufacturing services to deliver energy efficient performance.

We have the benefit of learning from some of the most demanding sectors, such as motorsports and mining. We translate these into technologies that will establish a viable and profitable path for the road to Real Zero.

We operate across a wide range of sectors from automotive and motorsport, aerospace and defence, rail, off highway, and energy, working in close collaboration with our customers and partners to meet the key engineering challenges of the 21st century – focusing on mobility, energy storage, sustainability and efficiency.

POWER SYSTEMS

At our global facilities in the UK, USA and Australia we are developing and building new technologies and products that will not only power the decarbonisation of our own mining operations, but provide solutions for other heavy emitters as well. We're already turning our ideas into reality, showing the world that decarbonisation is possible on an industrial scale, and it is also possible to do it profitably.

Our ability to develop our ideas rapidly is born from a heritage in motorsport and mining, two industries that operate at extremes. The track is where we continue to drive our innovation and ideas, before putting it to the test with 20 years of experience on our mine sites in the Pilbara.

During the year, our 240t battery electric haul truck prototype was successfully tested and deployed, running on a bespoke battery system and powertrain designed in-house. Our hydrogen-powered battery electric haul truck prototype is undergoing site-based testing at our Christmas Creek site.

The learnings from this are informing our future fleet of zero emissions trucks that we are delivering with Liebherr.

Also, in partnership with Liebherr, we are working on developing and validating a fully integrated Autonomous Haulage Solution with the aim to be the first to operate autonomous zero emissions vehicles globally.

The Fortescue Zero product portfolio, includes high performance batteries, High Voltage DCDC Convertors and Fast Chargers which can be made available for a wide range of applications, outside of heavy industry and mining.

Battery Intelligence is also a key future market which Fortescue Zero is starting to unlock with its Elysia product. Fortescue has signed a multi-year deal with Jaguar Land Rover to use this cutting-edge battery intelligence software.

The Green Pioneer, Fortescue's dual-fuelled ammonia-powered marine vessel, is driving innovation in green shipping. It was a winner at this year's World Hydrogen Awards, after successfully completing trials and being certified in the Port of Singapore. This is a significant milestone and brings the world one step closer to green ammonia as a future fuel for green shipping.

HYDROGEN SYSTEMS

Hydrogen Systems will help our planet step beyond fossil fuels by harnessing the world's renewable energy resources to produce green hydrogen. Our philosophy is to develop the most efficient and scalable solutions through our global research and development (R&D) programs that are durable, safe and reliable to meet the highest demands.

Our Hydrogen Systems business will offer a diverse array of electrolyser products, systems and services, encompassing multiple, cutting-edge technology types and membrane developments.

In FY24, Fortescue officially opened the 2GW GEM Centre, which is Australia's first fully automated electrolyser manufacturing facility. Hydrogen Systems has also signed contracts for the sale of our first electrolysers, produced from this manufacturing facility.

FORTESCUE CAPITAL

Fortescue Capital is Fortescue's green energy investment accelerator platform headquartered in New York City. The platform is integral to Fortescue's commitment to deliver green energy projects, technology investments and decarbonisation initiatives.

Established as a green asset management business, Fortescue Capital aims to raise third-party capital for projects and companies that are originated by Fortescue Energy. These potential capital partners include sovereign wealth funds, pension funds, endowments, insurance companies and ultra-high net worth family offices.

IRON ORE VALUE CHAIN

EXPLORATION AND DISCOVERY
Challenging geological thinking to identify valuable deposits

MODELLING, PLANNING AND DEVELOPMENT

EXTRACTION AND RECOVERY
Innovative use of technology suitable to Fortescue's deposits

PROCESSING
Ore processing facility design and wet processing optimise output

MINE TO PORT
Dedicated heavy haul rail in the Pilbara

Concentrate pipeline for Iron Bridge

Truck haulage in Gabon

BLENDING AND STOCKPILING
Port design facilities blending and stockpiling of product suite

Concentrate handling facility for Iron Bridge

SHIPLOADING
3 shiploaders and 5 berths at Port Hedland maximise outload capacity and utilisation

Shared facilities in Gabon

MARKETING
Helping customers achieve best value in use

SHIPPING AND TOWAGE
8 Fortescue Very Large Ore Carriers (VLOCs)

Delivery to Fortescue's international customers' specifications

Towage fleet at Port Hedland provides safe and reliable towage services

PORT SALES
FMG Trading Shanghai Co. Ltd (FMG Trading) facilitating port sales in China

Rehabilitation
Mine closure and decommissioning

We are working hard developing our decarbonisation program and trialling new technologies and products to decarbonise our iron ore value chain. Read more about our progress in our Sustainability Report and Climate Transition Report available on our website at **fortescue.com**.

OPERATING AND FINANCIAL REVIEW

In just 18 months the Green Pioneer has been converted to run in dual-fuel mode as it moves away from fossil fuels.

OPERATING AND FINANCIAL REVIEW

KEY PERFORMANCE INDICATORS

SAFETY

1.3

TOTAL RECORDABLE INJURY FREQUENCY RATE[1]

PRODUCTION

191.6Mt

IRON ORE SHIPPED

C1 COST

US$ 18.24
/wet metric tonne

HEMATITE

UNDERLYING NET PROFIT AFTER TAX

US$ 5.7bn

ATTRIBUTABLE TO EQUITY HOLDERS

CASH ON HAND

US$ 4.9bn

[1] Fortescue Metals

SAFETY

The health, safety and wellbeing of the Fortescue Family is a key Value, and our focus remains on ensuring everyone goes home safe and well after every shift.

Each day, everyone at Fortescue is empowered to take control and look out for their mates and themselves. The Company is committed to providing a safe and welcoming working environment for all employees and contractors.

Fortescue Metals' rolling 12-month total recordable injury frequency rate (TRIFR) is 1.3 at 30 June 2024.

SAFETY CULTURE

Guided by our Values of Safety and Family, Fortescue is committed to continuing to improve safety performance, including a focus across the following areas:

- strengthening safety leadership through specific action plans to address the priorities identified by the annual Company-wide people experience survey (Fortescue People Experience Survey)
- the continued reduction of the workplace injury and fatality risk profile through our major hazards program and exposure and risk reduction activities delivered every day by our frontline workforce
- taking a data driven approach to identify and prioritise controls to manage safety risks, including the use of AI and advanced data analytics to drive improved safety performance
- continuing to improve the physical and mental health of our people
- continuing to improve controls for psychosocial hazards in our workplaces.

Fortescue continues to implement initiatives to enhance the safety, culture and health of people working at the Company's operations and workplaces.

FORTESCUE METALS

(million tonnes)	FY24	FY23	Movement %
Hematite			
Overburden removed	324	323	0%
Ore mined	204	218	(6%)
Ore processed	188	192	(2%)
Hematite and Magnetite			
Shipments	192	192	(0%)
Ore sold	191	192	(1%)

Fortescue achieved shipments of 192Mt in FY24 with a second half record of 97Mt. Second half results include the impact of the derailment in early Q3 FY24, whereby a recovery plan was successfully implemented to achieve FY24 shipped volumes. Fortescue's recovery plan focused on value optimisation through flexibility and improvements in the supply chain combined with refinements in the product portfolio. Inclusive in Fortescue's FY24 shipments was 1.2Mt of Iron Bridge Concentrate, reflecting the successful transition from project to the operations phase, and 190.4Mt of hematite.

Fortescue's total sales were 191Mt in FY24. Sales via Fortescue's wholly owned Chinese sales entity, FMG Trading Shanghai, were 11.3Mt in FY24 (FY23: 16.7Mt). This entity allows Fortescue to expand its iron ore sales channels through the direct supply of products to Chinese customers in smaller volumes, in Renminbi, directly from regional ports.

Hematite ore mined decreased in FY24 to 204Mt (FY23: 218Mt) while waste mining is consistent year on year, reflecting an increase to strip ratio (FY24: 1.6x, FY23: 1.5x). Mining volumes and strip ratio reflect the life cycle of existing operations at the Chichester and Western Hub and are consistent with the requirements to support Fortescue's integration of its operations with its marketing strategy.

Hematite ore processing reduced marginally in FY24 to 188Mt (FY23: 192Mt), reflecting consistent performance and reliability through existing ore processing facilities (OPFs). Fortescue's hematite operations have a combination of both wet and dry OPFs aligning with the characteristics of the ore bodies.

Iron Bridge transitioned to operational production in August 2023 and the first shipment of high-grade (67% Fe) magnetite product was in September 2023. Iron Bridge combines innovative and proven technology for the production of magnetite concentrate that provides Fortescue an enhanced product range. In FY24, 13.0Mt of ore was mined at Iron Bridge, with Iron Bridge Concentrate production of 2.1Mt and shipments of 1.2Mt (100 per cent basis). The Iron Bridge operation when operating at full capacity aims to deliver 22Mt per annum of high-grade, low-impurity concentrate. Iron Bridge is an unincorporated joint venture between FMG Magnetite Pty Ltd (69 per cent) and Formosa Steel IB Pty Ltd (31 per cent).

Fortescue's Belinga project in Gabon, is an incorporated joint venture entity, with Ivindo Iron SA. In FY24 the Belinga Project made a shipment through the Gabon Joint Venture Company, Ivindo Iron SA, representing the first time Fortescue has exported iron ore outside of Australia.

MARKETING AND PRODUCT STRATEGY

Fortescue's integrated operations and customer-focused marketing strategy underpins the Company's ongoing strong market penetration with a product portfolio that meets customer requirements and maximises value. The majority of Fortescue's customers are in China as it continues to represent more than 50 per cent of global steel production. Domestic steel demand is supported by infrastructure, manufacturing and renewable energy sectors, in addition to direct and indirect steel exports. While China remains Fortescue's core focus, the Company continues to explore sales to other important markets.

Market dynamics and industry structures continue to evolve, with Fortescue adapting its commercial strategy to optimise value over time, to manage risk and market volatility.

INNOVATION AND TECHNOLOGY

The Company continues to look for other opportunities for automation and artificial intelligence to drive greater efficiency across the business, including the use of data to predict outcomes, optimise plans and schedules and improve overall performance, the expansion of autonomy to fixed plant and non-mining equipment, and the application of relocatable conveyor technology.

Through Fortescue Zero, Fortescue is making significant progress in developing green technology solutions in house.

DECARBONISATION

Key considerations for our pathway to decarbonise include development of technology, future equipment acquisitions and potential regulatory changes. Future changes to Fortescue's decarbonisation strategy may impact key estimates and changes to asset carrying values in the Group's financial statements.

Fortescue has a plan to reach Real Zero emissions by 2030, and has so far identified the solutions it plans to adopt to eliminate approximately 90 per cent of terrestrial Scope 1 and Scope 2 emissions from its Australian iron ore operations. Our decarbonisation plan includes the deployment of an additional 2-3 gigawatt (GW) of renewable energy generation and battery storage, in addition to the deployment of a green mining fleet and locomotives.

Key milestones achieved during FY24 include:

- commissioning of Australia's first operational electric excavator at Fortescue's Cloudbreak operation in partnership with Liebherr. There are three 400t electric excavators now in operation at Fortescue with two of these at Solomon and one at Cloudbreak
- construction and start of commissioning of a 100 MW solar farm at North Star Junction. North Star will complement the 60MW solar farm commissioned in 2021 as part of the Chichester Solar Gas Hybrid Project
- completion of the first phase testing of the battery power system in our battery electric haul truck prototype, Roadrunner, at our Green Energy Hub at Christmas Creek
- completed onsite commissioning of our fast charger prototype and transferred at 3MW into our 240t battery electric haul truck, Roadrunner
- development and commissioning of a hydrogen fuel cell battery electric haul truck (Europa) prototype. Delivered in collaboration with Liebherr, Europa is a T 264 Liebherr haul truck and contains a Fortescue Zero battery and 500 kilowatts of fuel cells. The prototype can store over 380 kilograms of liquid hydrogen
- commenced onsite commissioning of our prototype Offboard Power Unit which successfully powered a retrofitted Liebherr electric excavator utilising hydrogen
- completed onsite commissioning of our ammonia powered locomotive. Mainline testing is now underway
- completed validation testing of the KTA50 Marine Engine Land Based Test Spread with DNV Class approval.

There are, and there will continue to be, technical challenges related to decarbonisation. As part of addressing these challenges, existing technology will need to be adapted and applied in new ways, and entirely new technology will also need to be developed. Technology availability (including supply chain availability of relevant goods and services) and technology maturity are therefore key issues. These are challenges the team at Fortescue are focused on overcoming, both to deliver on our own Real Zero ambitions, but also to facilitate the decarbonisation of heavy industry more broadly.

Fortescue's capital expenditure on decarbonisation in FY24 was US$224 million including Pilbara Energy Connect (PEC).

More information can be found in our FY24 Climate Change report.

METALS PROJECTS

Belinga Iron Ore Project

Exploration was the dominant activity for FY24, with a focus on both diamond and reverse circulation drilling programs. As of 30 June 2024, over 45,000 metres of reverse circulation and 7,000 metres of diamond core have been drilled. The results have continued to show that this project has the potential to be significant scale and high grade. The focus is on exploration and studies to advance potential designs for large scale development.

Ivindo Iron SA is the operating company for the Belinga project, and Fortescue has a 72 per cent interest in this company.

Green Metal Project

Utilising green hydrogen and green electricity from solar generation, iron ore production capacity and existing infrastructure and technical capacity, Fortescue is developing a Green Metal Project at Christmas Creek. Annual production is expected to be more than 1,500 tonnes of green metal, with first production anticipated in 2025. Total project capital expenditure of up to US$50 million.

Critical Minerals and Iron Ore Exploration

Iron ore exploration activity in the Pilbara during FY24 focused on Mindy South, White Knight and Wyloo North. In addition, near mine exploration continues to be a focus at both Solomon and Chichester Hub. Studies continue to progress in these areas.

Early-stage studies and option analysis are underway for near-mine opportunities, as well as strategic assessments to support the future portfolio. Baseline studies continue with investigation to support approvals, while also working closely with Traditional Custodians and stakeholders.

In the critical minerals portfolio, Fortescue is ramping up exploration activities with a key focus on copper, rare earths and lithium. Additionally, a Farm-in and Joint Venture agreement was announced with Magmatic Resources Ltd on the Myall porphyry copper project in New South Wales, which resulted in Fortescue acquiring a 19.9 per cent stake in the company.

Exploration in South America focused on drilling at several projects in Argentina and Chile as well as opportunies in Peru in 2024. A drilling program targeting rare earth elements concluded in Brazil, with other regional exploration activities ongoing.

Total exploration and studies capital expenditure in FY24 was US$266 million.

FORTESCUE ENERGY

Fortescue Energy is working to eliminate emissions, not only from Fortescue's operations, but from our planet. That is why Fortescue has green energy projects under development globally. We continue to establish the building blocks of a new global renewable energy value chain, by developing green technologies for trucks, trains, planes, ships, electrolysers, solar, cables, wind, batteries, hydrogen fuel cells and the digital industry.

Fortescue Energy comprises the integrated segments of Green Energy, Fortescue Zero and Fortescue Capital.

GREEN ENERGY – GREEN ELECTRONS AND GREEN MOLECULES

Fortescue's Green Energy business is committed to producing green electrons and green molecules (including green hydrogen, green ammonia and other green derivatives) from renewable sources, to support global decarbonisation efforts.

Following FID in November 2023, Fortescue has turned the soil to launch Arizona Hydrogen, a green hydrogen project in the United States. This is an 80MW electrolyser and liquefaction facility, with production capacity of up to 11,000 tonnes per annum of liquid green hydrogen. Capital expenditure of up to US$550 million was approved, with first production expected in 2026.

Construction has commenced on the PEM50 project in Gladstone, Australia. This is a two-stage 50MW green hydrogen project, with total capital expenditure of up to US$150 million across both phases. Phase one comprises the installation of a 30MW electrolyser plant, utilising Fortescue's own Proton Exchange Membrane (PEM) electrolysers. First production of green hydrogen is anticipated in 2025. Phase two will see the remaining 20MW capacity installed and commissioned in 2028. The 50MW plant is projected to have production capacity of 8,000 tonnes per annum of green hydrogen.

The Board also agreed to fast-track projects in Norway and Brazil, moving them into the feasibility stage and progressing with front end engineering designs. Holmaneset is a green ammonia project in Norway, which has received backing and funding from the European Union, and our Pecém Project in Brazil will be able to take advantage of the country's green hydrogen regulations.

FORTESCUE ZERO – GREEN TECHNOLOGIES

Fortescue Zero is the green technology and engineering services business, creating the solutions required to drive a zero emissions future. Such technologies include PEM electrolysers and balance of systems, high performance battery systems and digital battery intelligence software.

During the year, the 240t battery electric haul truck prototype was successfully tested and deployed, running on a bespoke battery system and powertrain designed in-house. A hydrogen-powered battery electric haul truck prototype also operated on hydrogen for the first time and will soon be transported to our Christmas Creek site to undergo site-based commissioning and testing.

The learnings from this will help inform our future fleet of zero emissions trucks that we are delivering with Liebherr.

Also, in partnership with Liebherr, we are working on developing and validating a fully integrated autonomous haulage solution , through which we are aiming to be the first to operate zero emissions vehicles globally.

Fortescue also officially opened its 2GW electrolyser manufacturing facility in Gladstone, Australia. Fortescue has signed contracts for the sale of our first electrolysers, produced from this manufacturing facility, with a fully automated production line.

We have also signed a multi-year deal with Jaguar Land Rover to use Fortescue's cutting-edge battery intelligence software, Elysia, in its next-generation electric vehicles.

FORTESCUE CAPITAL – GREEN INVESTMENT ACCELERATOR PLATFORM

Fortescue Capital is Fortescue's green energy investment accelerator platform headquartered in New York City. The platform is integral to Fortescue's commitment to deliver green energy projects, technology investments and decarbonisation initiatives.

Fortescue Capital was established in FY24 which saw the appointment of its leadership team as well as formation of key relationships.

GROUP FINANCIAL PERFORMANCE

During the year ended 30 June 2024, Fortescue delivered a net profit after tax attributable to equity holders of the Company of US$5,683 million and earnings per share of 185 US cents.

Increase in Underlying EBITDA reflects performance of the Metals segment with hematite shipments of 190.4Mt and magnetite shipments of 1.2Mt. Realised prices increased in FY24 due to a higher iron ore index price. There was strong demand for Fortescue's products with a hematite revenue realisation of 86 per cent of the Platts 62% CFR index. FY24 financial performance was impacted through inflationary pressures, an increase in strip ratio and cost impacts from the recovery from the derailment in the third quarter. FY24 also included the transition of Iron Bridge into the production phase.

Financial performance during the year ended 30 June 2024:

Key metrics	**2024**	**2023**
Revenue, US$ millions	18,220	16,871
Underlying EBITDA[1], US$ millions	10,708	9,963
Earnings per share, US cents	**185**	156
Earnings per share, AUD cents[2]	**282**	231
Impairment expense after tax, US$ millions	-	726
Net profit after tax, US$ millions	**5,664**	4,796
Underlying net profit after tax, US$ millions	**5,664**	5,522
Underlying attributable net profit after tax, US$ millions	**5,683**	5,524
Underlying earnings per share, US cents	**185**	180
Underlying earnings per share, AUD cents[2]	**282**	267
Hematite average realised price, US$/dmt	103	95
Hematite C1 costs, US$/wmt	18.24	17.54
Underlying EBITDA margin, US$/dmt (excl Fortescue Energy)	**65**	60
Key ratios		
Underlying EBITDA margin, %	59	59
Return on equity, %	30	27

[1] Refer to page 38 for the reconciliation of Underlying EBITDA to the financial metrics reported in the financial statements under Australian Accounting Standards.

[2] Australian dollar earnings per share is calculated by translating the US dollar earnings per share at the average exchange rate for the year of AUD:USD 0.6558 (FY23: AUD:USD 0.6737).

SEGMENT REPORTING

Fortescue's operating segments are:

- Metals: Exploration, development, production, processing, sale and transportation of iron ore, and the exploration for other minerals.
- Energy: Undertaking activities in the global development of green electricity, green hydrogen, green ammonia projects, as well as green technology development and manufacturing.

Corporate includes cash, intercompany loans which eliminate at consolidation, debt and tax balances which are managed at a Group level, together with other corporate activities. Corporate is not considered to be an operating segment and includes activities that are not allocated to other operating segments.

Transfer prices between segments are set on an arm's length basis in a manner similar to transactions with third parties. Where segment revenue, expenses and results include transactions between segments, those transactions are eliminated on consolidation and are not considered material.

The consolidated Metals and Energy results for the year ended 30 June 2024 are provided below and further reported on page 157 in the financial report.

		Metals		Energy		Corporate		Consolidated	
US$m	**Note[1]**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenue	3	18,129	16,764	91	107	-	-	18,220	16,871
Underlying EBITDA		11,400	10,545	(659)	(617)	(33)	35	10,708	9,963
Depreciation and amortisation	5,6							(2,144)	(1,744)
Finance income	7							218	149
Finance expense	7							(386)	(275)
Exploration, development and other	6							(96)	(170)
Impairment expense	6							-	(1,037)
Income tax expense	14(a)							(2,636)	(2,090)
Net profit after tax								5,664	4,796

[1] Notes to the accompanying financial statements

Financial performance

REVENUE

	Note[1]	2024	2023
Total iron ore revenue, US$ millions	3	16,405	15,318
Total shipping revenue, US$ millions	3	1,613	1,356
Manufacturing and engineering services revenue, US$ millions	3	91	106
Other revenue, US$ millions	3	111	91
Operating sales revenue, US$ millions		18,220	16,871
Hematite sales performance			
Shipments - Hematite, million wmt		190.4	192.0
Ore sold - Hematite, million wmt[2]		190.2	192.4
Average Platts 62% CFR index, US$/dmt		119	110
Average realised price Pilbara Hematite, US$/dmt		103	95
Magnetite sales performance (including joint venture partner share)			
Shipments – Iron Bridge Magnetite, million wmt		1.2	-
Ore sold – Iron Bridge Magnetite, million wmt[2]		1.1	-
Average 65% Fe CFR Platts index, US$/dmt		131	-
Average realised price Magnetite, US$/dmt		137	-

[1] Notes to the accompanying financial statements.

[2] Our wholly owned trading entity maintains some inventory at Chinese ports and ore sold versus shipments reflects the timing differences that may occur between shipments and sales to external customers.

Fortescue's total shipments for the year ended 30 June 2024 were in line with FY23 at 191.6Mt (FY23: 192.0Mt). Operating sales revenue for FY24 increased to US$18,220 million (FY23: US$16,871 million) as the hematite realised price increased nine per cent to US$103/dry metric tonne (dmt) (FY23: US$95/dmt). The Platts 62% CFR Index averaged US$119/dmt in FY24 which is an increase of nine per cent over the prior year (FY23: US$110/dmt).

The factors influencing realised prices in FY24 include:

- higher index price compared to the prior year
- robust steel production in China which underpinned firm iron ore demand, especially in calendar 2023
- sustained high steel exports from China, as well as steel demand from the manufacturing and infrastructure sectors in China
- sustained low steel margins in China supporting demand for Fortescue products from steelmakers
- product mix, sale timing, and changing alignment between iron ore supply and demand
- actual and anticipated Government policy support in China intended to support economic growth in CY23 and CY24.

Manufacturing and engineering services revenue reflects activities within Fortescue Zero (formerly Fortescue WAE). This is revenue that is generated external to the Group and decreased to US$91 million in FY24 from US$106 million in FY23.

Other revenue increased to US$111 million in FY24 from US$91 million in FY23 and includes towage services provided by Fortescue.

Financial performance

PRODUCTION COSTS

The reconciliation of C1 costs and total delivered costs to customers to the financial metrics reported in the financial statements under Australian Accounting Standards is set out below.

	Note[1]	2024	2023
Mining and processing costs, US$ millions	5	3,102	2,856
Rail costs, US$ millions	5	288	266
Port costs, US$ millions	5	278	251
Production costs[3], US$ million		**3,668**	3,373
Hematite ore sold, million wmt		190	192
Hematite C1 costs, US$/wmt		**18.24**	17.54
Shipping costs, US$ millions	5	1,531	1,455
Government royalty[2], US$ millions	5	1,209	1,124
Shipping and royalty, US$millions		**2,740**	2,579
Hematite ore sold, million wmt		190	192
Shipping and royalty, US$/wmt		**14**	13
Total delivered cost, US$/wmt		**33**	31
Total delivered cost, US$/dmt		**37**	34

[1] Notes to the accompanying financial statements.

[2] Fortescue pays 7.5 per cent government royalty for the majority of its iron ore products, with a concession rate of five per cent applicable to beneficiated fines.

[3] Production costs include operating costs for both the Iron Bridge and the Belinga Iron Ore project (FY24: US$201 million, FY23: nil), and these costs are not included in the calculation of hematite C1 costs.

Hematite C1 costs averaged US$18.24/wmt for the year, four per cent higher compared to the prior period (FY23: US$17.54/wmt). The increase in C1 costs reflects market an increase in strip ratio to 1.6x in FY24 from 1.5x in FY23. Furthermore, the C1 costs also reflects market inflationary pressures, including labour cost pressures due to significant demand for skilled labour across the resources industry combined with increases in mining services.

These cost pressures were partially offset through ongoing focus on productivity and favourable AUD to USD exchange rates averaging 0.66 in FY24 compared to 0.67 in FY23.

Shipping costs have increased from US$1,455 million in FY23 to US$1,531 million in FY24, reflecting the increase in market freight rates. To meet Fortescue's shipping commitments, Fortescue employs a mix of shipping options which includes the use of Fortescue-operated ore carriers, chartering third-party vessels and free on board shipments.

Fortescue has actively managed cost increases throughout the cycle while also utilising the capacity in its supply chain to generate consistent shipments, aligning with Fortescue's integrated operating and marketing strategy focusing on maximising value through the market cycle.

Financial performance

UNDERLYING EBITDA

Underlying EBITDA, defined as earnings before interest, tax, depreciation and amortisation, exploration, development and other expenses, is used as a key measure of the Company's financial performance. During the FY24, Fortescue's operations generated Underlying EBITDA of US$10,708 million (FY23: US$9,963 million). The reconciliation of Underlying EBITDA to the financial metrics reported in the financial statements under Australian Accounting Standards is presented below.

	Note[1]	2024 US$m	2023 US$m
Operating sales revenue	3	18,220	16,871
Cost of sales excluding depreciation and amortisation	5	(6,575)	(6,109)
Net foreign exchange (loss)/gain	4,6	(31)	48
Administration expenses	6	(416)	(288)
Research expenses	6	(495)	(553)
Net other income[2]	4,6	26	2
Share of loss from equity accounted investments	22(c)	(21)	(8)
Underlying EBITDA		**10,708**	9,963
Finance income	7	218	149
Finance expenses	7	(386)	(275)
Depreciation and amortisation	5,6	(2,144)	(1,744)
Exploration, development and other expenses	6	(96)	(170)
Impairment	6	-	(1,037)
Income tax expense	14(a)	(2,636)	(2,090)
Net profit after tax		**5,664**	4,796
Underlying net profit after tax		**5,664**	5,522

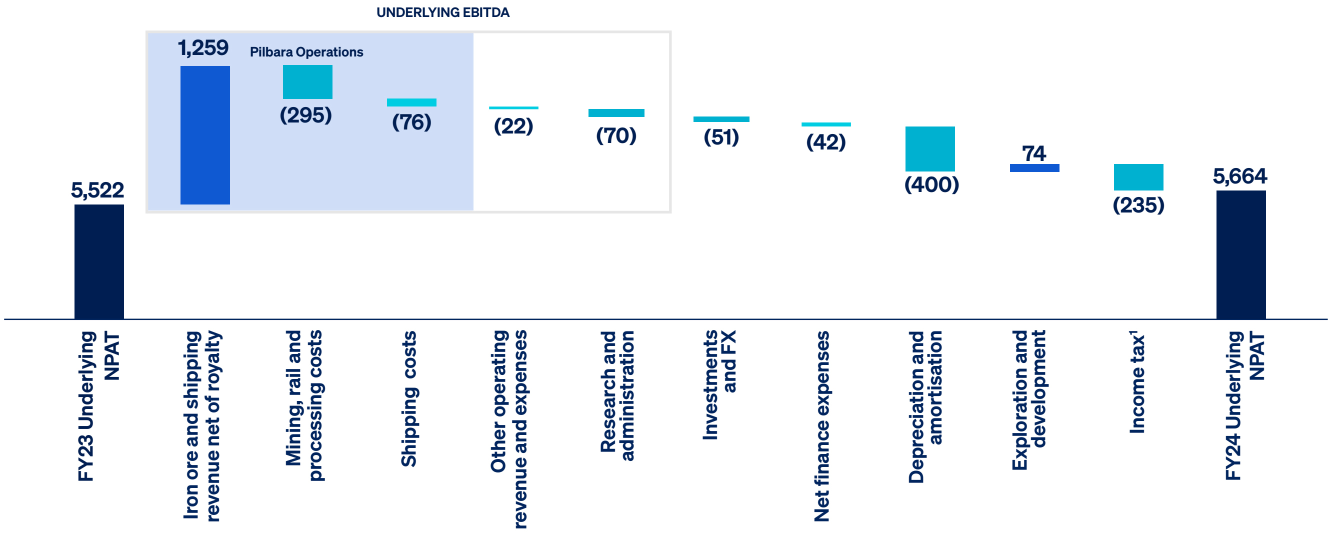
[1] Notes to the accompanying financial statements.

[2] Other income excluding net foreign exchange gain less fair value change in financial instruments and other within Note 6 'Other expenses'.

UNDERLYING EBITDA (CONTINUED)

The Underlying EBITDA of US$10,708 million for FY24 represents a margin of 59 per cent (63 per cent for the Metals segment) and a seven per cent increase on FY23 Underlying EBITDA.

Underlying NPAT Analysis FY23 - FY24 (US$m)

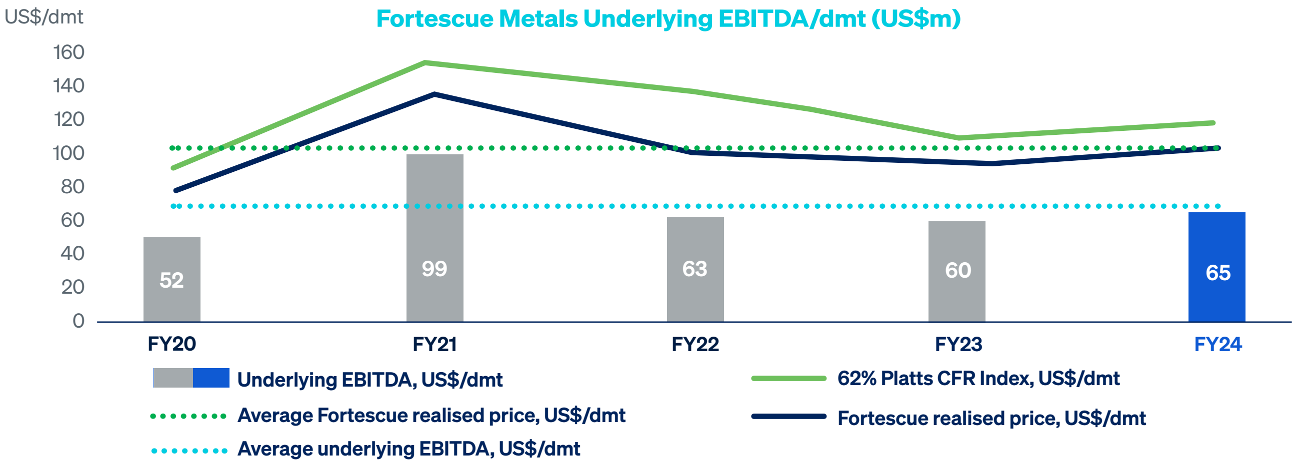


¹ FY24 NPAT v FY23 NPAT tax difference is US$546 million. The chart above adjusts for the tax effect of impairment expense recognised on the Iron Bridge Cash Generating Unit (CGU) in FY23 (US$1,037 million pre-tax and US$726 million post-tax).

As illustrated in the chart below, Fortescue has maintained strong Underlying EBITDA margins through market cycles, demonstrating the commitment to and focus on productivity, efficiency and innovation.

Underlying Metals EBITDA by period below (including Iron Bridge Magnetite and excluding Fortescue Energy costs):

Fortescue Metals Underlying EBITDA/dmt (US$m)



RESEARCH AND ADMINISTRATION EXPENSES

Research expenditure reflects underlying research activities within Fortescue Energy in the development of green energy projects and technology as well as research on decarbonisation. Total Fortescue Energy EBITDA was a US$659 million loss in FY24.

DEPRECIATION, INTEREST AND TAX

Key non-operating matters forming part of the financial result include:

- depreciation and amortisation of US$2,144 million is up 23 per cent on the prior period (FY23: US$1,744 million) reflecting increases in sustaining capital expenditure over multiple financial years and the commissioning of assets including Iron Bridge in FY24
- net interest expenses of $168 million for FY24 (US$126 million in FY23) reflects higher interest rates on borrowings and lease liabilities and lower capitalised interest, offset by an increase in interest income of US$218 million
- income tax expense for FY24 of US$2,636 million represents an effective tax rate of 31.8 per cent (FY23: US$2,090 million, effective tax rate of 30.4 per cent). The increase in income tax is in line with financial performance and reflects the effects of taxation on foreign operations.

FINANCIAL POSITION AND CAPITAL MANAGEMENT

Key metrics	**Note[1]**	**2024 US$m**	**2023 US$m**
Borrowings	9	4,585	4,587
Lease liabilities	9	815	734
Total debt		**5,400**	5,321
Cash and cash equivalents	9	4,903	4,287
Net debt		**497**	1,034
Equity	9	**19,531**	17,998
Key ratios			
Gearing, %		22	23
Net gearing, %		2	5

[1] Notes to the accompanying financial statements.

DEBT AND LIQUIDITY

DEBT

Fortescue's balance sheet is structured on low-cost investment grade terms. The debt capital structure allows optionality and flexibility to fund future growth. Total debt as at 30 June 2024 was US$5,400 million, inclusive of US$815 million of lease liabilities. Gross gearing at 30 June 2024 was 22 per cent (30 June 2023: 23 per cent) and net gearing was two per cent (30 June 2023: five per cent).

Revolving Credit Facility

The US$1,025 million Revolving Credit Facility has a maturity date on 28 July 2025, which remains undrawn at 30 June 2024 and 30 June 2023. If drawn, interest accrues based on a variable rate linked to Secured Overnight Financing Rate (SOFR) plus a fixed margin and is payable at the end of the interest period selected with the principal due at maturity.

Syndicated Term Loan

The syndicated Term Loan matures in June 2026, and as at 30 June 2024 had a carrying value of US$968 million (30 June 2023: US$975 million) with a coupon rate linked to SOFR plus a fixed margin. The facility has principal repayment of one per cent per annum with early repayment of the facility at Fortescue's option without penalty.

Senior Unsecured Notes

Senior unsecured notes, including Fortescue's Green Bond, had a carrying value of US$3,617 million at 30 June 2024.

Lease liabilities

Lease liabilities amounted to US$815 million as at 30 June 2024 (30 June 2023: US$734 million). The Group enters into contractual arrangements for leases of mining equipment, vehicles, land and buildings as well as other assets.

GREEN BOND

Eligible Project Allocation

The net proceeds from the US$800 million inaugural Green Bond are to be applied to Eligible Green Projects pursuant to Fortescue's Sustainability Financing Framework. These green projects will be used to deliver Fortescue's decarbonisation. The allocation across eligible project categories is in the table below:

Fortescue has allocated US$630 million (FY23: US$537 million) in net proceeds from the issuance of its Green Bond as at 30 June 2024 to Eligible Green Projects as defined within the Sustainability Financing Framework. Fortescue is responsible for the completeness, accuracy, and validity of the information and metrics presented below.

			Cumulative spend at	
Eligible Project[1]	**Eligible Category**	**Region**	**30 June 2024 US$m**	**30 June 2023 US$m**
Fortescue WAE battery systems[2]	Energy storage	UK / Australia	205	205
Pilbara Generation Project	Renewable energy	Australia	161	76
Pilbara Transmission Project[3]	Renewable energy	Australia	183	183
Green Fleet Energy Hub	Clean transportation	Australia	65	58
Battery Electric Locomotives	Clean transportation	Australia	16	15
Total allocated			**630**	537
Total unallocated			170	263

[1] Represents cumulative, incurred spend to date. Basis of preparation: Eligible Projects outlined above have been determined in accordance with Fortescue's Sustainability Financing Framework (as announced on 9 November 2021) which is available on Fortescue's website. Transmission projects are apportioned based on the percentage of the network powered by renewable energies.

The calculation methodology was amended in FY24 and is based on the forecasted percentage of renewable energy utilising the Pilbara Transmission Project Infrastructure over the maturity profile of the bond, in line with Fortescue's decarbonisation roadmap. The FY23 comparative spend has been restated to reflect the updated calculation methodology which has changed from the actual percentage of renewable energy in each period.

The amount attributable to Fortescue WAE was based on forecast revenue at acquisition.

[2] Represents investment in the development of Fortescue Zero battery storage solutions (formerly Fortescue WAE) in countries including the UK and Australia.

[3] FY23 has been restated from US$60m to US$183m.

Eligible Project details

Fortescue Zero battery systems[2]: The acquisition of Fortescue WAE enables us to accelerate the decarbonisation of our mining fleet as well as establish a new business growth opportunity.

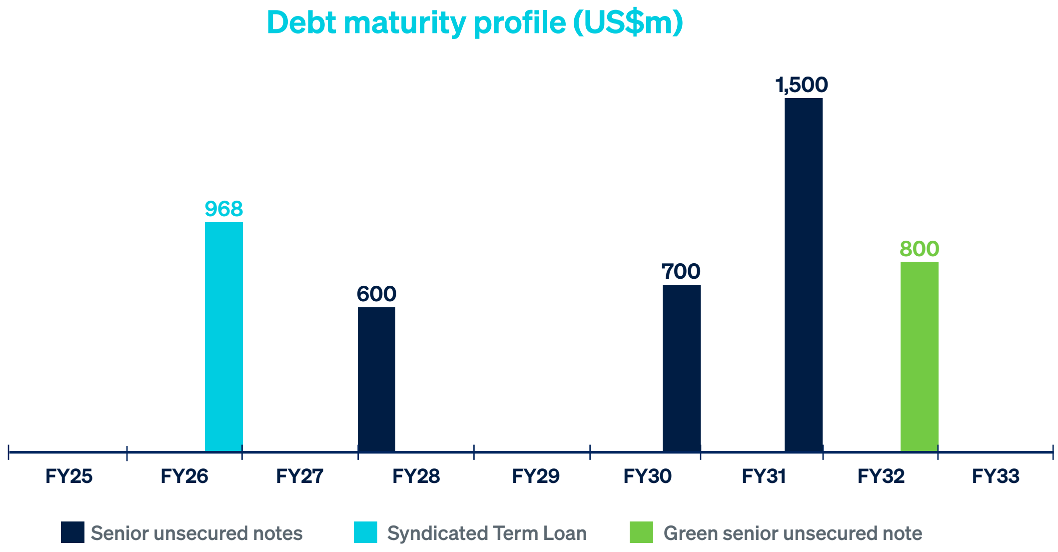
Pilbara Generation Project: The solar generation component of the energy generation from Fortescue's PEC project. This comprises the installation of a 100MW solar photovoltaic (PV) array.

Pilbara Transmission Project: The transmission of solar generated energy from Fortescue's PEC project (this excludes any transmission from gas fired energy generation).

Green Fleet Energy Hub: The Green Fleet Energy Hub includes a 1.5MW Hydrogen Refuelling Station at Christmas Creek.

Battery Electric Locomotives: Progress on the decarbonisation of our rail operations with the purchase of two battery electric locomotives, and research into the development of the Infinity Train.

The Company's debt maturity profile at 30 June 2024 is set out in the chart following. Fortescue has no financial maintenance covenants across all instruments.



LIQUIDITY

At 30 June 2024, Fortescue had US$5,928 million of liquidity available including US$4,903 million of cash on hand and US$1,025 million available under the revolving credit facility. Total debt at 30 June 2024 was US$5,400 million, inclusive of US$815 million of lease liabilities.

Cash flows	2024 US$m	2023 US$m
Cash generated from operations	**10,689**	10,016
Net cash flows from operating activities	7,919	7,432
Capital expenditure (including joint operations)[1]	(2,895)	(3,170)
Net cash flows from investing activities	(2,811)	(3,115)
Free cash flow[2]	**5,108**	4,317

[1] Capital expenditure comprises payments for property, plant and equipment and purchases of financial assets offset by minority interest contributions.
[2] Free cashflow is calculated as net cashflow from operations less cashflow from investing activities.

Cash generated from operations of US$10,689 million was seven per cent higher than the prior period, largely as a result of higher Underlying EBITDA.

Net cash flows from operations include net interest payments of US$105 million (FY23: US$205 million) and income tax paid of US$2,665 million (FY23: US$2,379 million).

Capital expenditure including Fortescue Energy investments was US$2,895 million for the financial year (FY23: US$3,170 million). Capital expenditure throughout the period consisted of:

- sustaining and hub development, including maintenance on existing plant and acquisition of replacement heavy mobile equipment (HME)
- decarbonisation, including expenditure on development of green power and green mobility
- iron ore and iron projects, reflecting the residual expenditure on the Iron Bridge project and expenditure on Pilbara Energy Connect (PEC)
- exploration and studies, including exploration and feasibility activities in Gabon
- energy, including acquisition of infrastructure and purchase of strategic investments within Fortescue Energy.

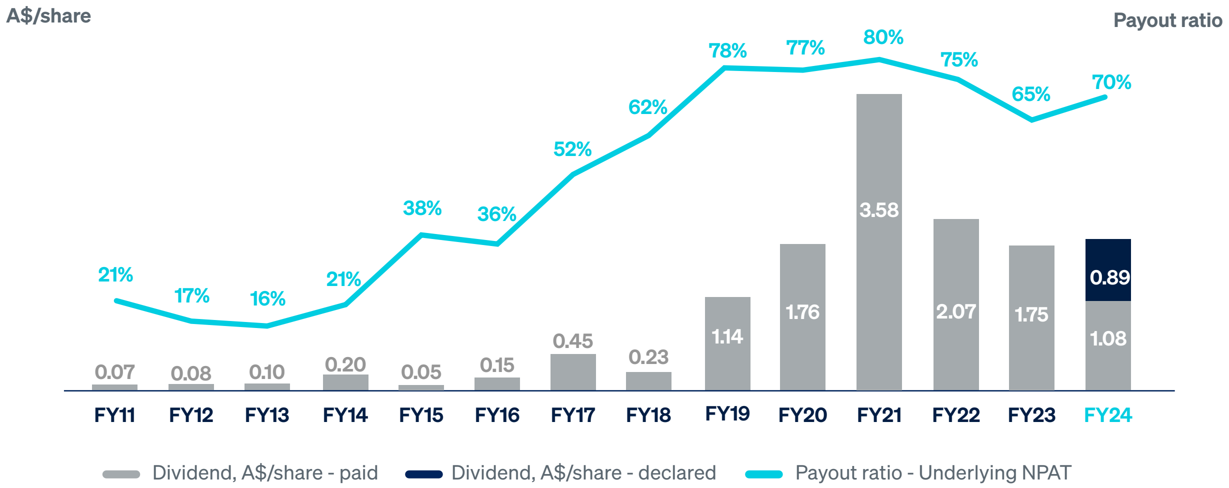
DIVIDENDS AND SHAREHOLDER RETURNS

In September 2023, Fortescue paid a fully franked final dividend of 100 Australian cents per share for the financial year ended 30 June 2023.

On 22 February 2024, Fortescue declared a fully franked interim dividend of 108 Australian cents per share, paid in March 2024.

For the year ended 30 June 2024, Fortescue generated underlying earnings of 185 US cents per share (FY23: 180 US cents per share). On 28 August 2024, the directors declared a fully franked final dividend of 89 Australian cents per share for the year ended 30 June 2024 representing a payout ratio of 70 per cent of net profit after tax, in line with the Company's dividend policy of maintaining a payout ratio of between 50 and 80 per cent.

Dividends declared and payout ratios



SHARE BUY-BACK SCHEME

In 2018, Fortescue announced the establishment of an on-market share buy-back program of up to A$500 million which was extended in October 2020 for an unlimited duration. The maximum number of shares which can be bought back is determined periodically by the Company's 10/12 limit, being that a company cannot buy back more than 10 per cent of its voting shares within the span of any 12-month period.

Fortescue retains the option to undertake an on-market share buy-back. During FY24, Fortescue acquired none of its own shares on market under the share buy-back program.

ORE RESERVES AND MINERAL RESOURCES

ORE RESERVES AND MINERAL RESOURCES

Reporting is grouped by operating and development properties and includes both hematite and magnetite deposits.

Hematite Ore Reserves total 1.70 billion tonnes (bt) of dry product at an average iron (Fe) grade of 57.4%. Combined Hematite Mineral Resources total 13.27bt (dry in-situ) at an average Fe grade of 56.8%.

Magnetite Ore Reserves total 832 dry in-situ million tonnes (Mt) at an average mass recovery of 29.9 per cent for a 67.3% Fe grade product. Magnetite Mineral Resources total 6.2bt (dry in-situ) at an average mass recovery of 23.1 per cent.

Operating property Ore Reserves and Mineral Resources have been reported and classified in accordance with the guidelines of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Accordingly, the information in these sections should be read in conjunction with the respective explanatory Mineral Resource and Ore Reserve information (Fortescue ASX release dated 26 August 2022).

Development property Mineral Resources have been reported and classified in accordance with the JORC Code. The development property Mineral Resources are detailed in Fortescue ASX releases dated 26 August 2022, 27 August 2021, 21 August 2020, 23 August 2019, 17 August 2018, 18 August 2017, 8 January 2015 and 20 May 2014, which include supporting technical data.

Magnetite Mineral Resources have been reported and classified in accordance with the JORC Code. The Mineral Resources quoted in this report should be read in conjunction with the supporting technical information contained in the ASX release dated 26 August 2022.

The Ore Reserve and Mineral Resource estimation processes followed internally are well established and are subject to systematic internal peer review, including calibration against operational outcomes. Independent technical reviews and audits are undertaken on an as-required basis as part of Fortescue's risk management process.

In addition to routine internal audits and peer review, auditing of the Ore Reserve and Mineral Resource estimates is addressed as a sub-set of the annual internal audit plan approved by the Board Audit and Risk Management and Sustainability Committee (ARMSC). Audits of the Ore Reserve process are managed by Fortescue's internal audit service provider with external technical subject experts. Independent auditing of a sub-set of Ore Reserve and Mineral Resource estimates is conducted on an approximately annual basis by external technical consultants.

The ARMSC also monitors the Ore Reserve and Mineral Resource status and recommends it to the Board for approval. The annual Ore Reserve and Mineral Resource updates are a prescribed activity within the annual corporate planning calendar that includes a schedule of regular executive engagement meetings to approve assumptions and guide the overall process.

Tonnage and quality information contained in the following tables have been rounded and as a result the figures may not add up to the totals quoted.

ORE RESERVES OPERATING PROPERTIES – HEMATITE

The combined Chichester Hub and Western Hub Hematite Ore Reserves for 2024 are estimated to total 1,701Mt at an average Fe grade of 57.4%.

The Ore Reserve is quoted as of 30 June 2024 and is inclusive of ore and product stockpiles at mines. Product stockpiles at port have been excluded from contributing to Ore Reserves. The proportion of higher confidence Proved Ore Reserve has increased to 1,102Mt (from 994Mt in 2023) after accounting for the production depletion and ongoing in-fill drilling.

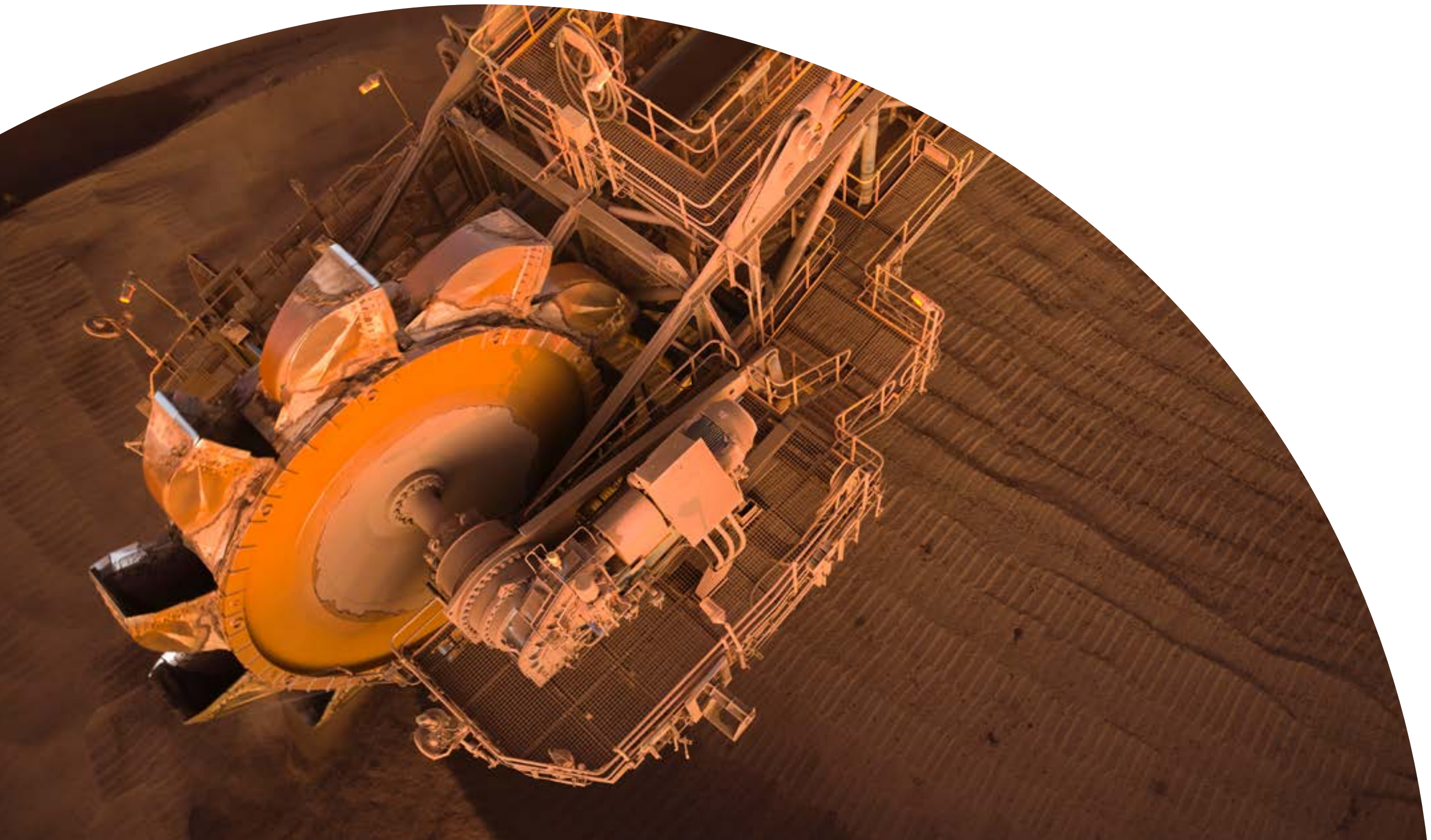
Fortescue is advancing studies on various potential brownfield near-mine and greenfield development opportunities within its portfolio, including the Mindy South and Nyidinghu projects. The company is committed to maintaining portfolio flexibility, ensuring that these deposits can be incorporated into the Ore Reserves once assessed to the appropriate level of study.

The Chichester Hub (Cloudbreak and Christmas Creek deposits) contains 830Mt at an average Fe grade of 57.3%, a net decrease of 155Mt primarily due to depletion and reclassification of localised Indicated Resources to Inferred at Christmas Creek. Proved Ore Reserve constitutes 74.0 per cent of the Chichester Ore Reserve, an increase of 16 per cent compared to the previous Ore Reserves as reported in 2023. While the Cloudbreak and Christmas Creek deposits are quoted separately for historical reasons, they effectively represent a single deposit with ore generally directed to the most proximal of the three available ore processing facilities (OPFs).

The Ore Reserve for the Western Hub (Firetail, Kings and Queens, Eliwana and Flying Fish deposits) is estimated to be 871mt at an average Fe grade of 57.4%. The contribution (tonnes and grades) of the Western Hub alone has reduced by 10mt, after accounting for depletion and any increase in Mineral Resource tonnes, along with pit design modifications and exclusion of areas containing sites of heritage significance. Proved Ore Reserves comprise 56 per cent of the tonnage in the total Western Hub Ore Reserve, which is an increase of eight per cent as compared to 2023 Ore Reserves.

The 2024 Hematite Ore Reserve estimates were subject to comprehensive review and update addressing:

- Ore depletion as a result of sales (decrease)
- Exclusions of sites of heritage significance, permanent infrastructures (OPF, Tailings storage facility etc), pit redesigns and tenement boundaries
- Revision of ore loss and dilution factors based on Life of Mine (LOM) historical operational history at all mines
- Revision to the processing response through all OPFs based on updated metallurgical test work and operational history
- Re-optimisation of mine geometries to maximise the benefit of changes to the resource base resulting in improvement to the economic viability of extracting ore
- A revised LOM plan that addresses the listed items and incorporates the latest information on long term product strategy, including the Western Pilbara Fines 60.3% Fe product and Fortescue lump.



ORE RESERVES OPERATING PROPERTIES – HEMATITE

	30 JUNE 2024						30 JUNE 2023					
	Product tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	LOI %	Product tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	LOI %
Cloudbreak												
Proved	280	57.5	5.23	2.79	0.058	8.1	270	57.6	5.12	2.82	0.056	8.1
Probable	51	56.5	6.47	3.16	0.056	8.3	91	56.6	5.57	3.12	0.056	8.4
Total	**331**	**57.4**	**5.42**	**2.85**	**0.058**	**8.1**	**361**	**57.3**	**5.23**	**2.89**	**0.056**	**8.2**
Christmas Creek												
Proved	334	57.2	5.61	2.82	0.051	8.0	297	57.2	5.96	2.63	0.052	7.9
Probable	165	57.6	5.82	2.75	0.052	5.6	327	57.2	6.05	2.91	0.054	7.7
Total	**499**	**57.3**	**5.68**	**2.80**	**0.051**	**7.2**	**624**	**57.2**	**6.01**	**2.78**	**0.053**	**7.8**
Sub-total Chichester Hub												
Proved	614	57.3	5.43	2.81	0.054	8.1	568	57.4	5.55	2.72	0.054	8.0
Probable	216	57.4	5.97	2.84	0.053	6.2	418	57.0	5.95	2.96	0.055	7.9
Total	**830**	**57.3**	**5.58**	**2.82**	**0.054**	**7.6**	**985**	**57.2**	**5.72**	**2.82**	**0.054**	**7.9**
Firetail												
Proved	16	58.9	6.35	2.19	0.123	6.6	16	59.3	5.61	2.20	0.127	6.9
Probable	30	58.1	7.05	2.54	0.113	6.6	35	58.5	6.37	2.60	0.116	7.1
Total	**46**	**58.3**	**6.83**	**2.43**	**0.116**	**6.6**	**51**	**58.7**	**6.13**	**2.47**	**0.119**	**7.0**
Kings and Queens												
Proved	316	56.8	6.87	2.83	0.073	8.7	233	56.7	6.80	2.95	0.080	8.9
Probable	331	56.8	6.61	2.72	0.079	9.2	383	56.8	6.90	2.91	0.082	8.8
Total	**647**	**56.8**	**6.74**	**2.77**	**0.076**	**8.9**	**616**	**56.7**	**6.86**	**2.93**	**0.081**	**8.8**
Eliwana and Flying Fish												
Proved	156	59.5	4.87	2.68	0.112	6.5	177	59.4	5.01	2.72	0.115	6.6
Probable	22	59.0	4.96	2.54	0.072	7.1	36	59.3	4.71	2.62	0.069	6.9
Total	**178**	**59.4**	**4.88**	**2.66**	**0.107**	**6.6**	**213**	**59.4**	**4.96**	**2.70**	**0.107**	**6.6**
Sub-total Western Hub												
Proved	488	57.7	6.22	2.76	0.087	7.9	426	57.9	6.02	2.83	0.096	7.9
Probable	383	57.0	6.55	2.69	0.081	8.9	455	54.2	5.59	2.60	0.096	7.4
Total	**871**	**57.4**	**6.36**	**2.73**	**0.085**	**8.4**	**881**	**57.5**	**6.36**	**2.84**	**0.090**	**8.2**
Total Ore Reserves Operating Properties – Hematite												
Proved	1,102	57.5	5.78	2.79	0.069	8.0	994	57.6	5.74	2.77	0.072	7.9
Probable	599	57.1	6.34	2.75	0.071	7.9	872	57.1	6.33	2.91	0.070	8.2
Total	**1,701**	**57.4**	**5.98**	**2.77**	**0.070**	**8.0**	**1,866**	**57.4**	**6.02**	**2.83**	**0.071**	**8.1**

Notes in reference to table

- Diluted mining models are validated by reconciliation against historical production
- Ore Reserves are inclusive of ore stockpiles at the mines which total approximately 54Mt on dry product basis
- The Chichester Ore Reserve is inclusive of the Cloudbreak, Christmas Creek and Kutayi deposits
- The Western Hub Ore Reserve is inclusive of the Firetail, Kings and Queens, Eliwana and Flying Fish deposits
- As part of Fortescue's ongoing review process, areas of heritage significance (where appropriate) have been excluded from the Ore Reserves
- Due to opportunistic blending and stockpiling, the Ore Reserve is not reported at a fixed cut-off and Ore Reserves are reported above a range of ROM Fe cut-off grades from 52% Fe to 54% Fe depending on the grade tonnage profile available from various deposits to meet the product quality specifications.

ORE RESERVES OPERATING PROPERTIES – MAGNETITE

The 2024 Ore Reserves for Magnetite are from the Iron Bridge project. Ore Reserves for the project total 832Mt at an average mass recovery of 29.9% for a 67.3% Fe grade product. The Ore Reserves are quoted as of 30 June 2024, on a dry in-situ tonnes basis prior to processing.

The Ore Reserves estimate was developed in May and June 2024 by the Iron Bridge technical team based on the 2023 resource model using detailed information on mining, geotechnical and metallurgical processing parameters and latest cost assumptions, aligned with the proposed operations strategy.

Within North Star, mining activities within 100m of the Pilbara Leaf Nosed Bat (PLNB) cave, identified as Cave 13, is prohibited by the current Stage 2 Ministerial Approval (Condition 10) until such time it can be demonstrated that ground disturbing activity in the area maintains the viability of the population of PLNB. Primary environmental approvals for the Glacier Valley resource are in progress and currently with state and Federal regulators. At this stage, neither of the above is expected to have a material impact on Ore Reserves as plans have been developed and action underway to address each of the points. As part of the mine scheduling process, appropriate access delays are applied to ore inventory in the North Star mining pit within 100m of the PLNB cave and Glacier Valley mining area to model the timeframe required for approvals.

The Ore Reserves have been estimated from Measured and Indicated Mineral Resources from within the North Star, Eastern Limb and Glacier Valley mining areas. All Magnetite Ore Reserves are classified as Probable Reserves due to the lack of full-scale production history, as only initial sales and production have occurred for Magnetite as of 30 June 2024. Ore Reserves have been adjusted for any depletion in the prior 12-month period.

ORE RESERVES OPERATING PROPERTIES – MAGNETITE

	JUNE 2024						JUNE 2023					
	In-situ tonnes (Mt)	DTR mass recovery %	Product tonnes (Mt)	Product Iron Fe %	Product Silica SiO_2 %	Product Alumina Al_2O_3 %	In-situ tonnes (Mt)	DTR mass recovery %	Product tonnes (Mt)	Product Iron Fe %	Product Silica SiO_2 %	Product Alumina Al_2O_3 %
North Star and Eastern Limb												
Proved	-	-	-	-	-	-	-	-	-	-	-	-
Probable	626	30	190	67.1	5.6	0.3	640	30	194	67.1	5.6	0.3
Total	**626**	**30**	**190**	**67.1**	**5.6**	**0.3**	**640**	**30**	**194**	**67.1**	**5.6**	**0.3**
Glacier Valley												
Proved	-	-	-	-	-	-	-	-	-	-	-	-
Probable	206	28	59	68.0	4.5	0.2	203	29	58	68.0	4.5	0.2
Total	**206**	**28**	**59**	**68.0**	**4.5**	**0.2**	**203**	**29**	**58**	**68.0**	**4.5**	**0.2**
Total Ore Reserves Operating Properties – Magnetite												
Proved	-	-	-	-	-	-	-	-	-	-	-	-
Probable	832	30	248	67.3	5.4	0.3	843	30	252	67.3	5.4	0.3
Total	**832**	**30**	**248**	**67.3**	**5.4**	**0.3**	**843**	**30**	**252**	**67.3**	**5.4**	**0.3**

Notes in reference to table

- All current magnetite Ore Reserves fall within the Iron Bridge Joint Venture (IBJV). As per the Iron Bridge project agreements, Fortescue owns 69% of the reported Total Magnetite Ore Reserve estimates within the IBJV
- Magnetite Ore Reserves are derived from Measured and Indicated Mineral Resources reported within a defined pit design
- Magnetite Ore reserves are based on Mass Recovery expressed as a 17% Davis Tube Recovery (DTR) cut-off
- Magnetite Ore Reserves are reported on an in-situ dry-tonnage basis
- Tonnage information has been rounded and as a result the figures may not add up to the totals quoted
- As part of Fortescue's ongoing review process, areas of heritage significance (where appropriate) have been excluded from the Ore Reserves.

MINERAL RESOURCES OPERATING PROPERTIES – HEMATITE

Mineral Resources for the operating properties, which comprise the Chichester and Western Hubs, are stated on a dry in-situ tonnage basis. The Mineral Resources, including stockpiles, are quoted inclusive of Ore Reserves.

As at 30 June 2024, the total Mineral Resource for the Chichester and Western Hubs, is estimated to be 4,731Mt at an average Fe grade of 56.3%, a decrease of 360mt over that stated in the prior year, with 69 per cent of the reported tonnage in the Measured and Indicated Mineral Resource categories.

The total Chichester Hub (Christmas Creek and Cloudbreak deposits) Mineral Resource is estimated to be 1,955Mt at an average Fe grade of 56.7%, with 81 per cent of the tonnage in the Measured and Indicated Mineral Resource categories. Model updates at Christmas Creek have resulted in downgrading the classification of some localised areas to better reflect the confidence in the estimate. Additional exclusions, of mostly Inferred material, have been applied at both Christmas Creek and Cloudbreak due to dewatering constraints in the southern, deeper parts of the orebody. These exclusions align with Ore Reserves.

The total Western Hub (Firetail, Kings and Queens, Eliwana and Flying Fish deposits) Mineral Resource is estimated to be 2,777Mt at an average Fe grade of 56.1%, with 60 per cent of the tonnage in the Measured and Indicated Mineral Resource categories.

As part of Fortescue's ongoing review process, areas of heritage significance (where appropriate) have been excluded from the Mineral Resources.

MINERAL RESOURCES OPERATING PROPERTIES – HEMATITE

	30 JUNE 2024						30 JUNE 2023					
	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %
Cloudbreak												
Measured	517	56.9	5.63	3.31	0.059	8.28	478	57.0	5.71	3.25	0.057	8.17
Indicated	138	56.0	6.56	3.55	0.058	8.35	191	56.0	6.34	3.52	0.057	8.23
Inferred	35	55.8	6.67	3.72	0.058	8.31	83	55.7	5.84	3.80	0.069	9.07
Total	**690**	**56.6**	**5.87**	**3.38**	**0.059**	**8.30**	**751**	**56.6**	**5.88**	**3.38**	**0.059**	**8.29**
Christmas Creek												
Measured	571	56.8	6.24	3.18	0.049	8.07	502	56.7	6.37	3.20	0.051	7.96
Indicated	358	56.7	6.53	3.26	0.050	7.87	620	56.2	6.58	3.62	0.052	7.88
Inferred	336	56.5	6.45	3.37	0.055	7.83	360	55.7	6.75	3.79	0.055	7.86
Total	**1,265**	**56.7**	**6.37**	**3.26**	**0.051**	**7.95**	**1,482**	**56.2**	**6.55**	**3.52**	**0.052**	**7.90**
Sub-total Chichester Hub												
Measured	1,088	56.8	5.95	3.24	0.054	8.17	980	56.8	6.05	3.23	0.054	8.06
Indicated	495	56.5	6.54	3.34	0.052	8.00	810	56.1	6.52	3.60	0.053	7.96
Inferred	371	56.4	6.47	3.41	0.055	7.87	443	55.7	6.58	3.79	0.058	8.09
Total	**1,955**	**56.7**	**6.20**	**3.30**	**0.054**	**8.07**	**2,233**	**56.3**	**6.33**	**3.47**	**0.054**	**8.03**
Firetail												
Measured	29	57.9	6.88	2.71	0.122	7.04	30	58.2	6.48	2.66	0.123	6.96
Indicated	78	56.5	8.32	3.03	0.126	7.06	92	56.8	8.01	3.01	0.125	7.05
Inferred	53	54.7	8.08	4.72	0.105	8.14	56	55.1	8.27	4.24	0.109	7.87
Total	**160**	**56.2**	**7.98**	**3.52**	**0.118**	**7.41**	**178**	**56.5**	**7.84**	**3.34**	**0.119**	**7.29**
Kings and Queens												
Measured	545	55.4	8.10	3.41	0.078	8.66	424	55.2	8.00	3.40	0.080	8.96
Indicated	681	55.1	8.34	3.36	0.084	8.88	765	55.3	8.21	3.33	0.083	8.80
Inferred	491	55.0	8.51	3.80	0.077	8.31	591	54.9	8.67	3.82	0.076	8.24
Total	**1,717**	**55.1**	**8.31**	**3.50**	**0.080**	**8.65**	**1,780**	**55.1**	**8.31**	**3.51**	**0.080**	**8.65**

MINERAL RESOURCES OPERATING PROPERTIES – HEMATITE – CONTINUED

	30 JUNE 2024						30 JUNE 2023					
	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %
Eliwana												
Measured	199	58.9	5.51	2.80	0.123	6.47	227	58.9	5.55	2.80	0.122	6.45
Indicated	35	57.3	6.87	3.04	0.096	7.11	40	57.2	7.00	3.16	0.093	6.91
Inferred	469	57.5	6.42	3.59	0.101	6.97	470	57.5	6.42	3.58	0.101	6.97
Total	**703**	**57.9**	**6.18**	**3.34**	**0.107**	**6.84**	**736**	**57.9**	**6.18**	**3.32**	**0.107**	**6.81**
Flying Fish												
Measured	73	58.4	5.09	3.17	0.058	7.35	52	58.3	5.31	2.98	0.058	7.54
Indicated	29	60.3	4.55	2.10	0.061	6.40	43	59.5	4.80	2.62	0.060	6.71
Inferred	95	57.7	6.09	3.04	0.054	7.07	69	57.0	6.52	3.25	0.053	7.46
Total	**197**	**58.4**	**5.49**	**2.95**	**0.056**	**7.07**	**163**	**58.1**	**5.68**	**3.00**	**0.056**	**7.29**
Sub-total Western Hub												
Measured	845	56.6	7.19	3.22	0.088	7.98	732	56.7	6.99	3.15	0.093	8.00
Indicated	824	55.5	8.14	3.27	0.088	8.54	940	55.7	7.98	3.26	0.086	8.45
Inferred	1,107	56.3	7.40	3.69	0.086	7.63	1,186	56.1	7.63	3.71	0.086	7.67
Total	**2,777**	**56.1**	**7.55**	**3.42**	**0.087**	**8.01**	**2,858**	**56.1**	**7.58**	**3.42**	**0.088**	**8.01**
Total Mineral Resources Operating Properties – Hematite												
Measured	1,934	56.7	6.49	3.23	0.069	8.08	1,712	56.8	6.45	3.20	0.071	8.03
Indicated	1,319	55.9	7.54	3.30	0.074	8.34	1,750	55.9	7.31	3.42	0.071	8.23
Inferred	1,479	56.3	7.16	3.62	0.079	7.69	1,629	56.0	7.35	3.73	0.078	7.79
Total	**4,731**	**56.3**	**6.99**	**3.37**	**0.073**	**8.03**	**5,091**	**56.2**	**7.03**	**3.44**	**0.073**	**8.02**

Notes in reference to table

- Chichester Hub Mineral Resources are quoted above a cut-off of 53.5% Fe, Western Hub Mineral Resources are quoted above a cut-off grade of 51.5% Fe
- The Christmas Creek Mineral Resource is inclusive of the Kutayi deposit
- The Measured Mineral Resource estimate includes mine stockpiles totalling approximately 64Mt
- As part of Fortescue's ongoing review process, areas of heritage significance (where appropriate) have been excluded from the Mineral Resource
- Mineral Resources are reported inclusive of Ore Reserves
- Tonnage information has been rounded and as a result the figures may not add up to the totals quoted.

MINERAL RESOURCES DEVELOPMENT PROPERTIES – HEMATITE

Updates have been announced for all reporting hubs in the development properties Mineral Resources as a result of exploration drilling. An updated estimate for the White Knight deposit in the Greater Chichester Hub has resulted in an increase of 111Mt. An updated estimate for the Serenity deposit has resulted in downgrading the classification in some areas to better reflect the confidence in the estimate; overall this update has resulted in an increase of 28Mt in the Greater Solomon Hub. Updated estimates at the Wyloo North, Lora and Flying Fish South deposits, and the exclusion of the Vivash deposit due to heritage significance in the Greater Western Hub, has resulted in a decrease of 88Mt. An updated estimate for the Nyidinghu deposit in the Nyidinghu Hub has resulted in an increase of 92Mt. Updated estimates at the Mindy South and Earendil deposits in the Pilbara Other Hub have resulted in an increase of 109Mt. Areas identified as containing sites of heritage significance have been excluded from reporting at deposits across all hubs. This update is an overall increase of 253Mt to the development properties Mineral Resources and is reported in accordance with the JORC Code as identified in the Fortescue ASX releases when each Mineral Resource was announced.

As of 30 June 2024, the total Mineral Resource for development properties, which excludes and is additional to the operating properties, is estimated to be 8,534Mt at an average Fe grade of 57.0%. This comprises 673Mt for the Greater Chichester deposits, 2,079Mt for the Greater Solomon deposits, 1,881Mt for the Greater Western deposits, 2,306Mt for the Nyidinghu deposit and 1,595Mt for the Pilbara Other deposits.

MINERAL RESOURCES DEVELOPMENT PROPERTIES – HEMATITE

	30 JUNE 2024						30 JUNE 2023					
	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %	In-situ tonnes (Mt)	Iron Fe %	Silica SiO_2 %	Alumina Al_2O_3 %	Phos P %	Loss on ignition LOI %
Greater Chichester												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-	-
Inferred	673	55.8	7.48	3.69	0.060	7.4	562	56.0	7.42	3.70	0.061	7.2
Total	**673**	**55.8**	**7.48**	**3.69**	**0.060**	**7.4**	**562**	**56.0**	**7.42**	**3.70**	**0.061**	**7.2**
Greater Solomon												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	131	56.2	6.19	2.67	0.092	10.2	254	56.6	6.70	3.45	0.083	8.3
Inferred	1,948	56.7	7.17	3.82	0.085	7.0	1,796	56.8	6.89	3.73	0.082	7.3
Total	**2,079**	**56.7**	**7.11**	**3.75**	**0.086**	**7.3**	**2,051**	**56.8**	**6.87**	**3.69**	**0.082**	**7.4**
Greater Western												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	99	59.1	5.33	2.45	0.162	7.1	99	59.1	5.33	2.45	0.162	7.1
Inferred	1,782	56.6	6.18	3.00	0.081	9.1	1,870	56.8	6.12	2.98	0.082	9.0
Total	**1,881**	**56.7**	**6.14**	**2.97**	**0.085**	**9.0**	**1,969**	**56.9**	**6.08**	**2.95**	**0.086**	**8.9**
Nyidinghu												
Measured	22	59.7	3.54	2.08	0.140	8.1	22	59.7	3.49	2.08	0.141	8.1
Indicated	1,008	57.9	4.58	3.08	0.149	8.6	963	57.9	4.56	3.09	0.150	8.6
Inferred	1,276	57.0	5.14	3.44	0.144	8.9	1,228	57.2	5.03	3.39	0.148	8.8
Total	**2,306**	**57.4**	**4.88**	**3.27**	**0.146**	**8.8**	**2,214**	**57.5**	**4.81**	**3.25**	**0.148**	**8.7**
Pilbara Other												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-	-
Inferred	1,595	57.6	6.46	2.69	0.107	7.8	1,486	57.6	6.34	2.65	0.106	7.9
Total	**1,595**	**57.6**	**6.46**	**2.69**	**0.107**	**7.8**	**1,486**	**57.6**	**6.34**	**2.65**	**0.106**	**7.9**
Total Mineral Resources Development Properties – Hematite												
Measured	22	59.7	3.54	2.08	0.140	8.1	22	59.7	3.49	2.08	0.141	8.1
Indicated	1,238	57.8	4.81	2.99	0.144	8.7	1,317	57.7	5.03	3.11	0.138	8.5
Inferred	7,274	56.8	6.44	3.29	0.097	8.1	6,942	57.0	6.28	3.23	0.097	8.1
Total	**8,534**	**57.0**	**6.20**	**3.25**	**0.104**	**8.2**	**8,281**	**57.1**	**6.07**	**3.21**	**0.104**	**8.2**

Notes in reference to table

- The Greater Chichester Mineral Resources includes the Investigator, White Knight and Mount Lewin deposits
- The Greater Solomon Mineral Resource includes the Serenity, Queens East West (previously Sheila Valley), Mount MacLeod, Cerberus, Stingray and Raven deposits
- The Greater Western Mineral Resources includes the Flying Fish South, Cobra, Lora, Zorb, Farquhar, Elevation, Boolgeeda CID and Wyloo North deposits
- The Pilbara Other Mineral Resources includes the Fig Tree, Mindy South, Triton, Wonmunna, Panhandle, Earendil, Indabiddy, Prairie Heights and McPhee Creek deposits
- Development property Mineral Resources are reported above a range of cut-off grades from 50% Fe to 56% Fe depending on the geological domain. Details of the cut-offs were provided when each Mineral Resource was first announced
- Tonnage information has been rounded and as a result the figures may not add up to the totals quoted.

MINERAL RESOURCES OPERATING PROPERTIES – MAGNETITE

The resource model for the North Star, Eastern Limb, West Star and Glacier Valley deposits (69 per cent Fortescue) was completed in 2022, with the South Star area modelled in 2023, all of which remain largely unchanged. All magnetite Mineral Resources are reported within a high revenue factor pit shell (US$200/t) to constrain the reportable resource to mineralisation that has reasonable prospects for economic extraction by open-pit mining and has adjusted for depletion of mined tonnes. The pit shell used to constrain the June 2024 magnetite Mineral Resource was updated using detailed information on mining, geotechnical and metallurgical processing parameters, along with the latest cost assumptions, aligned with the proposed operations strategy. Where appropriate, heritage sites have been excluded from the Mineral Resource using engineered shapes to account for the pit slope.

As of 30 June 2024, the total magnetite Mineral Resource is estimated to be 6,198Mt (from 6,475Mt in 2023) at an average mass recovery of 23.1 per cent, reported above a 9 per cent mass recovery cut-off. The decrease is a function of the updated pit shell used to constrain the magnetite Mineral Resource, along with updated heritage exclusions in the Glacier Valley and South Star areas.

MINERAL RESOURCES OPERATING PROPERTIES – MAGNETITE

	30 JUNE 2024							30 JUNE 2023						
	In-situ tonnes (Mt)	Fortescue proportion %	Fortescue attributable tonnes (Mt)	DTR mass recovery %	In-situ Iron Fe %	In-situ Silica SiO_2 %	In-situ Alumina Al_2O_3 %	In-situ tonnes (Mt)	Fortescue proportion %	Fortescue attributable tonnes (Mt)	DTR mass recovery %	In-situ Iron Fe %	In-situ Silica SiO_2 %	In-situ Alumina Al_2O_3 %
North Star and Eastern Limb (M45/1226)														
Measured	232	69%	160	26.2	31.1	41.3	2.77	256	69%	176	25.7	31.2	41.4	2.82
Indicated	770	69%	531	24.7	30.2	41.3	2.69	780	69%	538	24.6	30.2	41.3	2.70
Inferred	2,280	69%	1,573	24.1	29.9	41.7	2.84	2,274	69%	1,569	23.8	29.8	41.7	2.85
Total	**3,282**	**69%**	**2,265**	**24.4**	**30.0**	**41.6**	**2.80**	**3,310**	**69%**	**2,284**	**24.2**	**30.0**	**41.6**	**2.81**
Glacier Valley (M45/1244 & M45/1226)														
Measured	55	69%	38	25.4	35.1	39.2	1.58	55	69%	38	25.4	35.1	39.2	1.58
Indicated	279	69%	193	23.8	33.2	39.1	1.70	284	69%	196	23.7	33.1	39.1	1.71
Inferred	875	69%	604	19.9	31.6	40.0	2.12	1,020	69%	704	19.4	31.5	40.0	2.16
Total	**1,209**	**69%**	**834**	**21.1**	**32.1**	**39.8**	**1.99**	**1,359**	**69%**	**938**	**20.5**	**32.0**	**39.8**	**2.04**
West Star (M45/1226)														
Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inferred	615	69%	425	20.3	28.0	43.9	3.40	602	69%	416	20.3	28.0	43.9	3.41
Total	**615**	**69%**	**425**	**20.3**	**28.0**	**43.9**	**3.40**	**602**	**69%**	**416**	**20.3**	**28.0**	**43.9**	**3.41**
South Star (E45/3084)														
Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inferred	393	69%	271	24.3	31.4	41.4	0.67	398	69%	275	24.3	31.4	41.4	0.67
Total	**393**	**69%**	**271**	**24.3**	**31.4**	**41.4**	**0.67**	**398**	**69%**	**275**	**24.3**	**31.4**	**41.4**	**0.67**
South Star (E45/4025)														
Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inferred	698	100%	698	22.1	32.0	40.4	0.91	806	100%	806	21.5	32.0	40.4	0.91
Total	**698**	**100%**	**698**	**22.1**	**32.0**	**40.4**	**0.91**	**806**	**100%**	**806**	**21.5**	**32.0**	**40.4**	**0.91**
Total Mineral Resources Operating Properties – Magnetite														
Measured	287	-	198	26.0	31.8	40.9	2.55	311	-	214	25.6	31.9	41.0	2.60
Indicated	1,049	-	724	24.5	31.0	40.7	2.43	1,065	-	735	24.4	31.0	40.8	2.43
Inferred	4,862	-	3,571	22.6	30.4	41.4	2.33	5,100	-	3,769	22.2	30.4	41.4	2.30
Total	**6,198**	**-**	**4,493**	**23.1**	**30.5**	**41.3**	**2.35**	**6,475**	**-**	**4,718**	**22.7**	**30.6**	**41.3**	**2.34**

Notes in reference to table

- Magnetite Mineral Resources are reported above a 9% mass recovery cut-off, based on Davis Tube Recovery (DTR) test work
- Oxide mineralisation above 9% mass recovery comprises approximately 6% of the total Mineral Resource tonnage
- Magnetite Mineral Resources are reported within a high revenue factor pit shell (US$200/t) to constrain the resource to mineralisation that has reasonable prospects for economic extraction by open-pit mining
- Measured Mineral Resource estimate includes mine stockpiles totalling approximately 7Mt
- Mineral Resources are reported on a dry, in situ tonnage basis
- Mineral Resources are reported inclusive of Ore Reserves
- Figures have been rounded and as a result may not add up to the totals quoted.

COMPETENT PERSONS STATEMENT

The detail in this report that relates to Hematite Mineral Resources is based on information compiled by Nicholas Nitschke, Doug Kepert, Erin Retz, Stuart Badock, Suzanne Caron and John Graindorge, full-time employees and shareholders of Fortescue. Each provided technical input for Mineral Resource estimations.

The detail in this report that relates to the Magnetite Mineral Resources is based on information compiled by John Graindorge, a full-time employee and shareholder of Fortescue. Mr Graindorge provided technical input for Mineral Resource estimations.

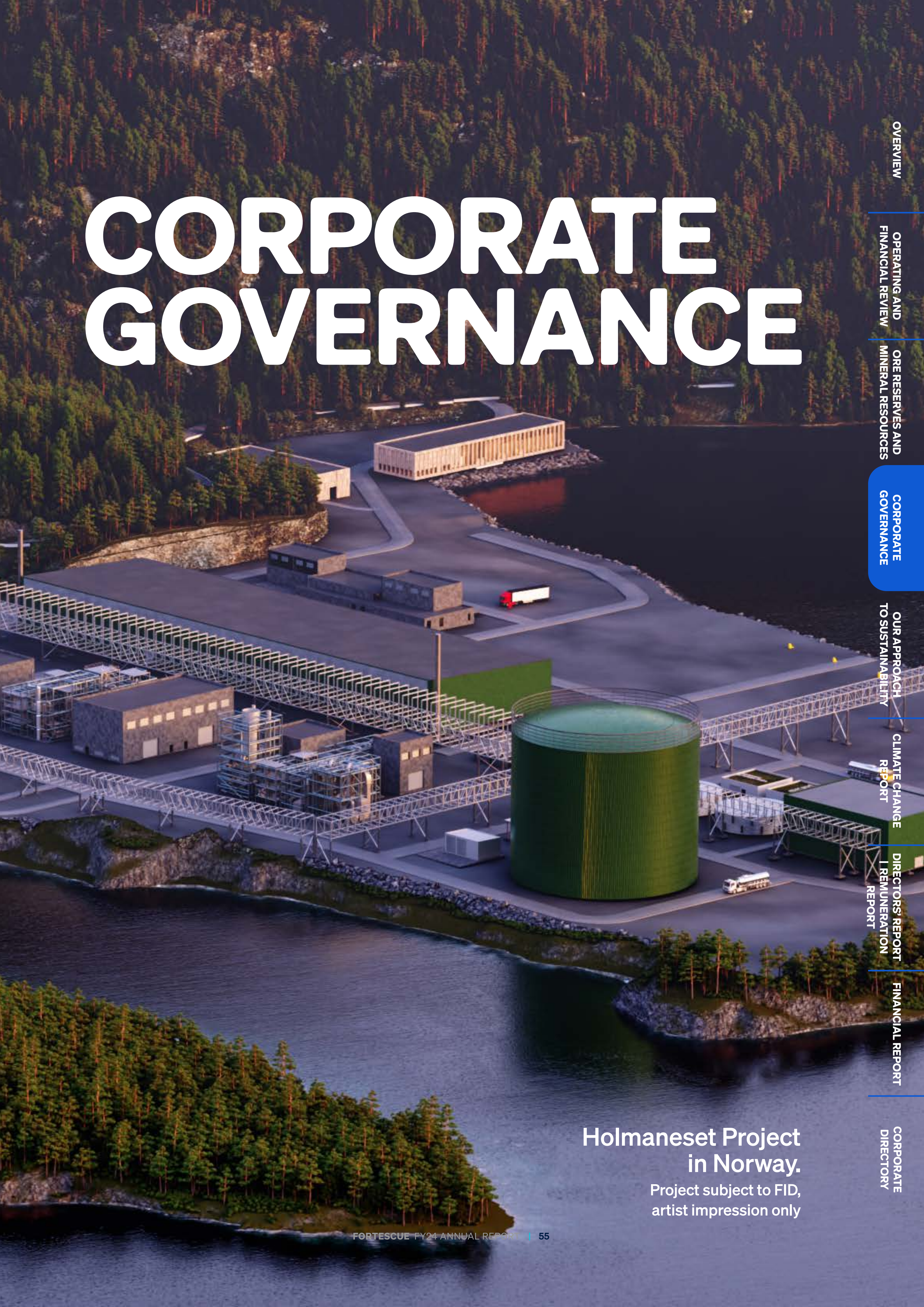
Estimated Ore Reserves for the Chichester and Western Hub deposit for fiscal year 2024 were compiled by Thomas Keller, Terry Chong and Michael Fisher, full-time employees and shareholders of Fortescue.

Estimated Magnetite Ore Reserves for the Iron Bridge project for fiscal year 2024 were compiled by Sunarno Purnomo and Mudit Tandon, full-time employees and shareholders of Fortescue.

Mr Nitschke, Ms Retz, Mr Badock, Ms Caron, Mr Keller, Mr Chong, Mr Fisher, Mr Purnomo, Mr Tandon and Mr Graindorge are Members of the Australasian Institute of Mining and Metallurgy. Mr Kepert is a Member of the Australian Institute of Geoscientists. Mr Graindorge is also a Chartered Professional (Geology).

Mr Nitschke, Mr Kepert, Ms Retz, Mr Badock, Ms Caron, Mr Keller, Mr Chong, Mr Fisher, Mr Purnomo, Mr Tandon and Mr Graindorge have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Nitschke, Mr Kepert, Ms Retz, Mr Badock, Ms Caron, Mr Keller, Mr Chong, Mr Fisher, Mr Purnomo, Mr Tandon and Mr Graindorge consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.



CORPORATE GOVERNANCE

Holmaneset Project in Norway.

Project subject to FID, artist impression only

OVERVIEW OF GOVERNANCE

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

Good governance is the collective responsibility of the Board of directors (the Board) and across all levels of management. Fortescue Ltd (Fortescue) seeks to adopt leading practice and contemporary governance standards and apply these in a manner consistent with our culture and Values (our Values can be viewed on our website **fortescue.com**).

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

The cornerstones of our corporate governance are:

TRANSPARENCY

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

INTEGRITY

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

EMPOWERMENT

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

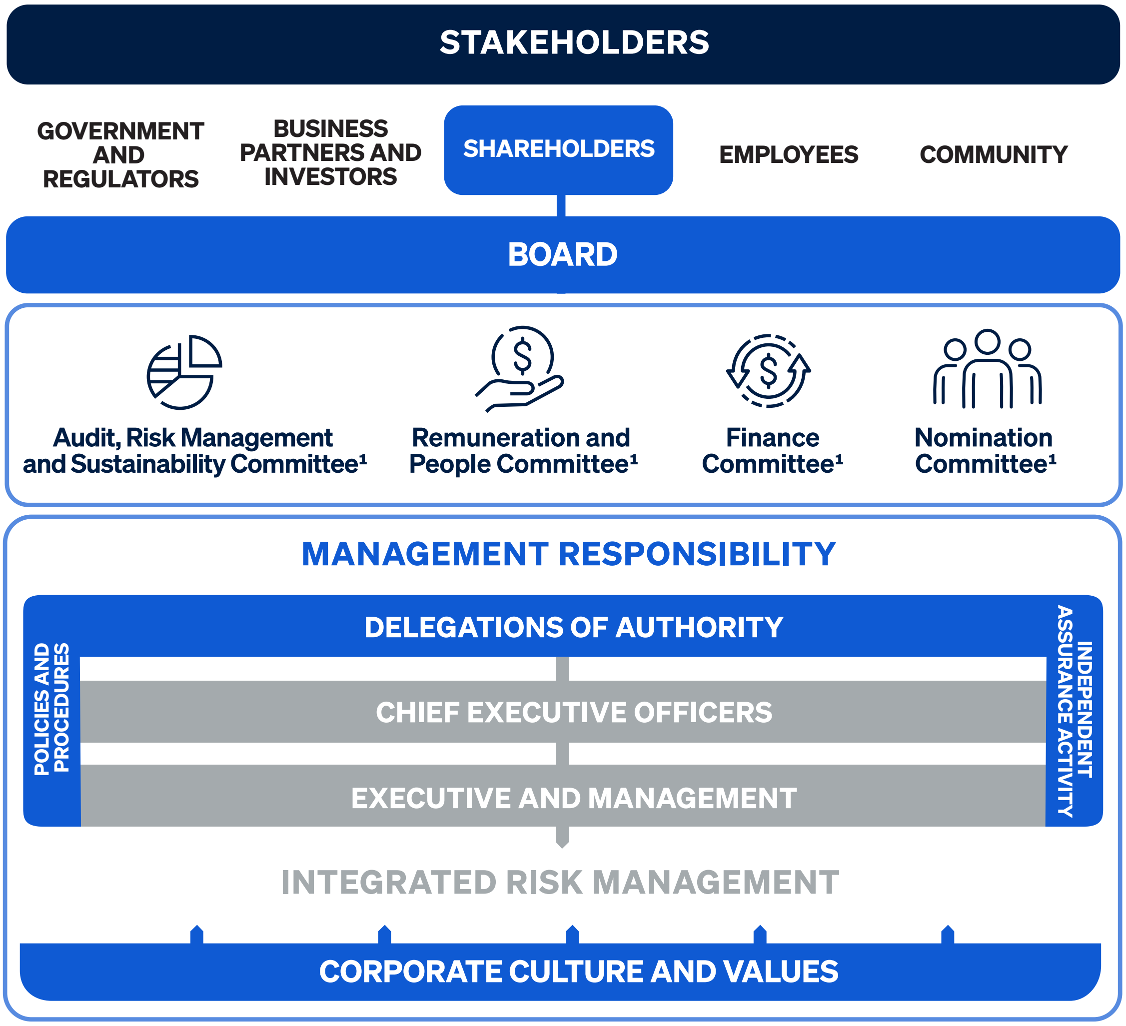
CORPORATE ACCOUNTABILITY

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

STEWARDSHIP

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

GOVERNANCE FRAMEWORK



[1] Effective 1 July 2024, Fortescue implemented a new Committee structure. The new Committees are:

(a) Audit, Finance and Risk Management Committee
(b) People, Remuneration and Nomination Committee
(c) Safety and Sustainability Committee

OUR APPROACH TO SUSTAINABILITY

FORTESCUE'S MATERIAL TOPICS

PEOPLE

Topic	Financial materiality	Impact materiality
Safety and wellbeing	●	◗
Diversity, inclusion and equity	●	◗
Talent and skills	●	
Culture and First Nations Peoples	●	◗
Community	●	◗

PLANET

Topic	Financial materiality	Impact materiality
Climate and decarbonisation	●	◗
Water	●	◗
Biodiversity	●	◗

PROCESS

Topic	Financial materiality	Impact materiality
Business strategy and integrity	●	◗
Procurement and marketing	●	◗
Security practices	●	◗

PRODUCT

Topic	Financial materiality	Impact materiality
Innovation	●	
Energy and resources	●	◗
Circularity	●	◗
Mine planning	●	◗
Product stewardship	●	

HUMAN RIGHTS

Governance, stakeholder engagement, continual improvement

● Financial materiality ◗ Impact materiality

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

As Fortescue transitions to an integrated green technology, metals and energy company, our commitment to sustainability will grow with us.

Our sustainability ambition is focused on ensuring that both society and the environment benefit from our business as we take a global leadership role in addressing climate change and supporting the transition to green energy. This overarching ambition drives our stretch targets and our sustainability performance.

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

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

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

SUSTAINABILITY GOVERNANCE

Our Board is responsible for the oversight of all sustainability matters, which prior to 1 July 2024 received regular updates through the ARMSC[1].

Operationally, sustainability is directed by our Chief Executive Officers and Chief Operating Officer with support from our executive Sustainability Committee.

The executive Sustainability Committee meets at least quarterly to define our sustainability framework and oversee implementation across the business and continuous improvement. In FY24, the executive Sustainability Committee facilitated executive endorsement of all key outcomes endorsed or approved by the ARMSC.

Our sustainability strategy outlines commitments and targets and provides implementation guidance. The early identification and assessment of sustainability risks and opportunities helps to shape the way we do business at Fortescue.

Our dedicated Sustainability team, managed by our Director Sustainability and External Affairs, coordinates the implementation of our sustainability strategy, related policies and targets across the business.

SUSTAINABILITY MATERIALITY

Sustainability materiality is evolving beyond consideration of the impacts and dependencies of a business. It also considers the corresponding financial risks, opportunities and impacts to the business resulting from climate change, global environmental concerns, human rights violations and shifting societal expectations.

To reflect the evolution of sustainability reporting requirements, as well as our own business transition to an integrated green technology, energy and metals company, this year Fortescue has performed our first sustainability double materiality assessment. The assessment forms the basis for refreshing our sustainability strategy and material topics. With this approach, we continue to consider the outward social and environmental impacts associated with our business activities, as well as the inward sustainability-related risks and opportunities to our financial performance.

The FY24 sustainability materiality process considered both finance and impact materiality by aligning to the key sustainability standards applicable to Fortescue.

[1] Effective 1 July 2024, Sustainability forms part of a new Board Committee, the Safety and Sustainability Committee.

MEASURING OUR PERFORMANCE

AMBITION | TARGET | PERFORMANCE | RESULT

PEOPLE

SAFETY AND WELLBEING

Ambition	To be a global leader in safety			
Target	Achieve zero fatalities	Reduce Fortescue Metal's injury profile by 15 per cent year on year	Maintain or improve Fortescue Metal's TRIFR year on year	TRIFR not exceeding 4.0 for Fortescue Energy
Performance	Fatalities	Injury profile reduction (Fortescue Metals)	TRIFR (Fortescue Metals)	TRIFR (Fortescue Energy)
Result	FY24 0 FY23 0 FY22 1	FY24 25% FY23 22% FY22 21%	FY24 1.3 FY23 1.8 FY22 1.8	FY24 0.5 FY23 0.0 FY22 0.7

DIVERSITY, INCLUSION AND EQUITY

Ambition	To increase gender diversity to reflect 40:40:20 across Fortescue. This refers to a minimum of 40 per cent men and 40 per cent women, with the remaining 20 per cent represented by any gender. To provide opportunities for female employees to move into leadership positions.		
Target	Year-on-year increase in our female employment	Year-on-year increase in our female employment in leadership roles	Year-on-year increase in our female employment in senior leadership roles
Performance	Female employment	Females in leadership (manager and above)	Females in senior leadership (group manager and above)
Result	FY24 24% FY23 23% FY22 23%	FY24 29% FY23 26% FY22 24%	FY24 37% FY23 30% FY22 27%

DIVERSITY, INCLUSION AND EQUITY CONTINUED

Ambition	To increase the number of First Nations Australian employees to be reflective of general society, and to provide opportunities for First Nations Australian people to move into leadership positions.		
Target	Year-on-year increase in our First Nations Australian employment rate	Year-on-year increase in our First Nations Australian employment rate in our Pilbara operations	Year-on-year increase in our First Nations Australian employment rate in leadership roles
Performance	First Nations Australian employment in Australian workforce	First Nations Australian employment in Pilbara operations	First Nations Australian leadership roles
Result	FY24 11% FY23 10% FY22 10%	FY24 15% FY23 16% FY22 15%	FY24 5% FY23 4% FY22 4%

TALENT AND SKILLS

To be an industry leader in the development of our people, nurturing internal talent and strengthening our leadership capability through targeted development interventions.

All team members participate in mid-year and year-end performance and development reviews

Employees participating in development reviews

FY24	100%
FY23	100%
FY22	100%

CULTURE AND FIRST NATIONS PEOPLES

To work together with Indigenous people to manage First Nations rights responsibly and sustainably. To create economic opportunities for First Nations businesses through local procurement, business development, mentoring and capacity-building opportunities.

Ensure no impact to First Nations heritage without consultation with and consent from First Nations peoples	Year-on-year improvement, working towards our ambition to achieve an annual Australian spend of 10 per cent with First Nations Australian-owned businesses
Significant heritage incidents	Spend with First Nation Australian businesses
FY24 0 FY23 0 FY22 0	FY24 7% FY23 5% FY22 5%

COMMUNITIES

To achieve a sustained social license to operate wherever we are present while ensuring the wellbeing of our host communities, and deliver value to our communities through strategic social investment. We are committed to upholding our Values, fulfilling our commitments, and meeting best practice social performance standards.

Allocate funding according to priorities set in the community investment strategy

Social investment

FY24	$86.7 million
FY23	$101.8 million
FY22	$77.4 million

MEASURING OUR PERFORMANCE CONTINUED

AMBITION	TARGET	PERFORMANCE	RESULT

PLANET

CLIMATE AND DECARBONISATION

Ambition	Fortescue is an integrated green technology, metals and energy company. We take an industry-leading position on reducing emissions by working to decarbonise our operations and delivering renewable energy and products to the world. We will show industry it is possible to decarbonise profitably.		
Target	Real Zero Scope 1 and 2 emissions across our terrestrial Australian iron ore operations by 2030	Enable a reduction in emissions intensity from steelmaking by Fortescue's customers of 7.5 per cent, from FY21 levels by 2030	Enable a reduction in emissions intensity levels from the shipping of our iron ore by 50 per cent, from FY21 levels by 2030
Performance	Total Scope 1 and 2 emissions from Australian terrestrial iron ore operations (million tonnes CO_2-e)	Emissions intensity from steelmaking (tCO_2-e/t of iron ore)	Emissions intensity from shipping (tCO_2-e/t of iron ore)
Result	FY24 2.38 FY23 2.28 FY22 2.23	FY24 1.37 FY23 1.36 FY22 1.33	FY24 0.019 FY23 0.016 FY22 0.017

BIODIVERSITY

Ambition	To be a leader in safeguarding the environment and take accountability for our actions.	
Target	Achieve zero significant environmental incidents	Develop a clear pathway to net positive impact on biodiversity by 2030
Performance	Significant environmental incidents	FY24 progress
Result	FY24 0 FY23 0 FY22 0	Metals Biodiversity Strategy released Ongoing implementation of our environmental management system $6.0m invested in research and conservation programs

WATER

To effectively steward water resources and apply responsible water management throughout our areas of operation and across all current and future project stages. To continually improve water use efficiency and minimise water loss through surface water discharge and evaporation.

Annually, ensure at least 80 per cent of water abstracted at the Chichester Hub is used for operational requirements or beneficial environmental purposes	Pilot the Minerals Council of Australia Water Accounting Framework at Eliwana in FY24, in line with the ICMM Water Stewardship Framework	Complete a site-wide water resource efficiency assessment for Solomon in FY24 to inform long-term water efficiency planning
FY24 progress	FY24 progress	FY24 progress
FY24 98% FY23 96% FY22 99%	In progress - water data currently being collected and reviewed	In progress - preliminary discussions within the Technical Services team

PROCESS

BUSINESS STRATEGY AND INTEGRITY

To ensure our Values reflect ethical conduct and respect, and that our Values are embedded in the business.

Annually, ensure ethical conduct is maintained by a targeted program

Employees attending advanced anti-bribery and corruption training

FY24 639
FY23 766
FY22 863

SECURITY PRACTICES

To expand our business globally in line with our Values, protecting our Fortescue Family as well as the rights of our community members who may be impacted by security operations.

To become a full member of the Voluntary Principles Initiative (VPI)

Progress in FY24

Fortescue became a full member of the VPI in May 2024.

PROCUREMENT AND MARKETING

To pioneer collaborative sustainable value chain practices that generate long-term value for our shareholders, customers, suppliers and workers across our supply chain and in the communities in which we operate.

As this is a new material topic for Fortescue, there were no targets in place in FY23 for which performance could be reported in FY24.

MEASURING OUR PERFORMANCE CONTINUED

AMBITION TARGET PERFORMANCE RESULT

PRODUCT

INNOVATION

Investment and development in early stage technologies will enable the achievement of our decarbonisation ambitions and increase the efficiency of our existing activities.

There were no targets in place for FY23 against which performance could be reported in FY24

ENERGY AND RESOURCES

To embed optimisation and energy efficiency in all aspects of our operations to support our commitment to decarbonisation. By 2030, approximately 97% of our electricity demand to be met by renewable resources.

Construction of North Star Junction solar farm in FY24

Construction completion date

Milestone achieved June 2024

MINE PLANNING

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

Closure plans to be in place for each major operational site

Closure plans in place

FY24	100%
FY23	100%
FY22	100%

PRODUCT STEWARDSHIP

As Fortescue develops products, and the supply chains mature, our ambition is that each relevant product offered to the market has a digital product passport that enables our customers to understand the emissions impact of a Fortescue product.

Develop Fortescue LCA guidance to be used by our global business

Progress in FY24

LCA Guideline and LCA Procedure released in FY24.

CIRCULARITY

To see waste as a resource, driving a circular approach to material use. Addressing the generation of waste through prevention, reduction, recycling and reuse, and minimising our reliance on virgin material inputs in the manufacturing processes.

Recycle more than 80 per cent of our waste (excluding mineral waste, tyres and concrete)

Waste recycled

FY24	81%
FY23	81%
FY22	83%

More information is available from Fortescue's FY24 Sustainability Report, available on our website at **fortescue.com.**

CLIMATE CHANGE REPORT

CLIMATE CHANGE REPORT

OUR APPROACH

Fortescue takes an industry-leading position on reducing emissions by decarbonising our operations and working to deliver low carbon solutions and green energy products to the world.

Climate change is the greatest challenge facing the global community. It also presents a once in a lifetime opportunity for economic growth and value creation.

Climate change has the potential to lead to catastrophic social and economic outcomes, the costs of which far exceed those associated with transitioning to a low carbon world. The Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report (AR6) found that without deep reductions in greenhouse gas emissions over the coming decades, global warming will exceed 2°C in the 21st century.

Without immediate action to reduce global emissions, the impacts of climate change, which are already being felt, will continue to worsen. Swift action from industry and strong policy frameworks from governments are required, where risk taking is incentivised and rewarded and the rights of our communities are protected.

Strong action to address climate change is embedded within the Fortescue business and is led by our Executive Chairman, Dr Andrew Forrest AO, and our Board.

Fortescue has a costed plan to decarbonise our Scope 1 and 2 emissions across our terrestrial Australian iron ore operations, while developing projects and technology to help scale green energy and green hydrogen.

We will decarbonise profitably by lowering operating costs, future proofing our business and creating new revenue streams. As consumers and customers look to reduce their own carbon footprint, the demand for green iron ore, green metal and green steel will increase.

We move beyond our own operations, investing in technology to reduce emissions globally and share green fuels and technology with the world.

At our R&D facilities, we are working to decarbonise industry, including Fortescue's operations, using battery power, green hydrogen and green ammonia.

By far the largest source of our Scope 3 emissions is the steelmaking process. We are investing in the development of green metal reduction and processing technologies to demonstrate green metal feasibility, with the ambition to show that our iron ore is compatible with low-emissions iron-making processes. We are also pursuing the opportunity to jointly develop a fully integrated Australia–China green metal supply chain.

ABOUT THIS REPORT

This report has been prepared for Fortescue's stakeholders and details our progress in managing climate-related matters, including risks and opportunities.

It is aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), which has guided our climate-related reporting since FY18.

During FY24, the Australian Treasury issued a draft of new government policy for climate change reporting, as well as a draft bill proposing changes to legislation to enact that policy. Under this new regime, the measurement and disclosure of climate-related financial information will be guided by Australian Sustainability Reporting Standard (ASRS) ED-SR1 issued by the Australian Accounting Standards Board (AASB). Effective from FY26, ASRS ED-SR1 is based on the TCFD recommendations.

While we are still reporting under TCFD, we are preparing our business for ASRS compliance, and this report contains some elements of additional disclosures required under ED-SR1.

This report captures activities within our operations over which we have operational control.

All references to our, we, us, the Group, the Company and Fortescue refer to Fortescue Ltd (ABN 57 002 594 872) and its subsidiaries. All references to a year are to the financial year ended 30 June 2024 unless otherwise stated.

This report has been approved for release by Fortescue's Board of Directors.

EMISSIONS

When we refer to emissions, we refer to all greenhouse gas emissions, reported in the unit of million tonnes of carbon dioxide equivalent (mtCO_2-e). This is defined as the amount of CO_2 that would cause the same temperature rise, over a given time period, as an emitted amount of greenhouse gas or mixture of greenhouse gases.

ASSURANCE

FY24 greenhouse gas emissions data were subject to external assurance by KPMG: reasonable assurance for Group Scope 1, Scope 2 location-based and Scope 2 market-based, and limited assurance for Scope 3.

FEEDBACK

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

OUR TARGETS

Fortescue's roots in iron ore mining mean that since our establishment in 2003, we have been, by nature, a heavy emitter. We are committed to changing this and we take this responsibility seriously.

2030

REAL ZERO SCOPE 1 AND 2 EMISSIONS

Real Zero Scope 1 and 2 emissions across our Australian terrestrial iron ore operations.

2030

SCOPE 3 EMISSIONS INTENSITY

Enable a reduction in emissions intensity from steelmaking by Fortescue's customers of **7.5 per cent** (from FY21 levels).

Enable a reduction in emissions intensity levels from the shipping of our iron ore by **50 per cent** (from FY21 levels).

2040

NET ZERO SCOPE 3 EMISSIONS

Our approach to reducing Scope 3 emissions is to develop projects and technologies with a focus on reducing emissions from our whole supply chain, including iron and steel making as well as shipping, and to work with current and prospective customers on the application of the technology and the supply of green hydrogen and ammonia from Fortescue.

	BY 2030	BY 2030	BY 2030	BY 2040
Target	**Real Zero Scope 1 and 2**	**Enable a reduction in emissions intensity from steelmaking by Fortescue's customers of 7.5%, from FY21 levels**	**Enable a reduction in emissions intensity levels from the shipping of our iron ore by 50%, from FY21 levels**	**Net zero Scope 3**
The metric used to set the target	Scope 1 and 2 emissions in $tCO_{2}e$	Emissions, in tCO_2e, from the processing our of iron ore by our customers. (classified under Scope 3 category 10 - Processing of sold products)	Emissions, in $tCO_{2}e$, from shipping of our iron ore	Scope 3 emissions in $tCO_{2}e$
The objective of the target	Mitigation			
The part of Fortescue to which the target applies	Australian iron ore operations	Scope 3 emissions from processing of Fortescue iron ore sold products	Scope 3 emissions from shipping reported in GHG Protocol categories 4 and 9	GHG Protocol categories 1 to 10
The period over which the target applies	2030	2030	2030	2040
The base period from which progress is measured	Not applicable	FY21	FY21	Not applicable
Whether the target is an absolute or intensity target	Absolute	Physical intensity	Physical intensity	Absolute
The international agreement informing the target	Paris agreement to limit global warming to 1.5°C			
Greenhouse gases covered by the target	CO_2, CH_4, N_2O, SF_6, HFC and PFC			
Net or gross emissions target	Gross	Gross	Gross	Net

OUR CLIMATE TRANSITION PATHWAY

Both our Climate Transition Plan and our annual Climate Change reports are essential components of our strategy to address and mitigate climate change.

Our initial Climate Transition Plan, released in October 2023, can be accessed on our website at **fortescue.com**. Fortescue will publish its second Climate Transition Plan in September 2024 in a significant iteration of its existing communication in alignment with the framework laid down by the Transition Plan Taskforce.

The revised Climate Transition Plan outlines our ambition and specific actions we will take to achieve zero emissions, including detailed pathways, timelines and the implementation of low-carbon technologies and practices. It demonstrates our ambition to be a highly profitable green technology, energy and metals company, with laser focus on Real Zero.

This Climate Change Report communicates our progress towards our ambition. It provides data, metrics and analyses on our greenhouse gas emissions and highlights achievements, challenges and adjustments made throughout the reporting period. This report ensures transparency and accountability by showing stakeholders the tangible results and advancements in our climate action efforts.

OUR STRATEGY

Our climate change strategy focuses on three strategic pillars:

1 **Decarbonising Fortescue:** Fortescue's ambitions and actions, in either our own operations or value chain, in the short-, medium- and long-term, to reduce our greenhouse gas emissions.

2 **Responding to Fortescue's climate-related risks and opportunities:** Fortescue's ambitions and actions to enhance our resilience to the changing climate and respond to the risks and opportunities that arise from the transition to a low-greenhouse gas emissions, climate-resilient economy.

3 **Contributing to an economy-wide transition:** Fortescue's ambitions and actions to use the levers and capabilities we have available to embed and accelerate a transition to a low-greenhouse gas emissions and climate-resilient economy.

In September 2022, Fortescue committed to eliminating fossil fuels and achieving a Real Zero outcome across Scope 1 and 2 emissions from its terrestrial Australian iron ore operations.

We expect decarbonisation to drive value for our shareholders. By 2030, decarbonisation will enable Fortescue to save over 700 million litres of diesel and 15 million gigajoules of gas, avoiding 3mtCO_2-e each year. This will generate significant cost savings and reduce Fortescue's exposure to volatility in oil and gas prices.

In September 2023, we made a commitment to stop purchasing voluntary carbon offsets. Instead, we redirect the funds allocated to purchase voluntary offsets into our decarbonisation activities. In FY24, several hundred million dollars, which would have been spent on purchased offsets, was instead allocated to decarbonisation.

We believe practical, technology and policy-driven solutions are key to managing the impacts of climate change. We understand that climate change and the transition to net zero presents both risks and opportunities to our business and that it has the potential to impact our entire value chain, operations, assets and the communities in which we operate. We are implementing measures to mitigate and manage these risks while maximising opportunities and using these assessments to inform business strategies and provide certainty to stakeholders that we will continue to thrive in a net zero economy.

DECARBONISING OUR IRON ORE OPERATIONS

Fortescue has a costed plan to decarbonise our Scope 1 and 2 emissions across our terrestrial Australian iron ore operations by 2030. In September 2022, Fortescue announced a US$6.2 billion capital investment to decarbonise our Pilbara operations. We have identified solutions to eliminate approximately 90 per cent of terrestrial Scope 1 and 2 emissions from our Australian iron ore operations and are actively working to identify solutions for the final 10 per cent.

The decarbonisation of our own operations centres around investing in renewable energy and using it to eliminate the use of diesel and gas in our Australian iron ore operations. Fortescue Zero will be a key enabler through the development and supply of a range of green technology products.

As part of our strategy to achieve Real Zero Scope 1 and 2 by 2030 for our Australian iron ore operations, we are focusing on three interconnected decarbonisation workstreams: green energy supply, green mobility, and green systems and optimisation.

GREEN ENERGY SUPPLY	GREEN MOBILITY		GREEN SYSTEMS & OPTIMISATION
Renewable generation	Heavy mobile equipment	Other small emitters	Energy balance plan & model
Transmission & distribution	Site power reticulation & infrastructure	People & skills	Remote energy balance schedule and control
Storage	Rail		Demand response
	Shipping VLOC & tugs[1]		

[1] Capital expenditure relating to decarbonisation of shipping VLOC and tugs is excluded from Fortescue's Board approved September 2022 announcement.

GREEN ENERGY SUPPLY

We are making significant investments in renewable power, battery storage and high voltage transmission to replace stationary diesel, gas-fired power generation at our sites, as well as the diesel consumed in our mobile equipment.

In FY24, Fortescue completed the construction of a 100MW solar farm at North Star Junction, located near Iron Bridge. North Star Junction Solar Farm is expected to produce more than 250GWh per year, which represents more than 30 per cent of our forecast FY25 energy demand for Iron Bridge facility. North Star Junction Solar complements the 60MW solar farm commissioned in 2021 as part of the Chichester Solar Gas Hybrid Facility.

In FY24, Fortescue commenced construction on the high voltage transmission line between our Solomon and Eliwana mine sites, to complement the existing Pilbara Energy Connect transmission infrastructure which connects Solomon and Iron Bridge. By 2028 we aim to have all our mines and renewable generation assets interconnected into a single power grid.

Our ambition is that by the end of calendar year 2030, 100 per cent of our electricity demand will be met by renewable sources. Detailed power system modelling suggests we will need at least 2-3GW of wind and solar, supported by battery storage, to satisfy our energy needs with renewables. The build-out of our renewable energy assets will be matched to the deployment of green HME to ensure a balance between energy supply and demand during this transition period to 2030.

In FY24, the Fortescue Board approved investment in developing an additional 130MW solar farm and two battery energy storage systems with total capacity of 270MWh. We are concurrently undertaking feasibility and design studies for further large-scale solar, wind, battery and transmission infrastructure projects to build out our green energy system and connect renewable energy generation to our mining operations.

In FY24, we continued to work with community stakeholders for land access and approval pathways for these and future projects and anticipate additional wind and solar projects will be ready for FID within the next two to three years. Securing access to land to build our renewable energy infrastructure involves navigating the complex and changing regulatory requirements of local, state and federal government. We are currently investigating opportunities to sell excess renewable energy to support others reducing their emissions.

GREEN MOBILITY

Fortescue is committed to developing zero-emission solutions to replace diesel-powered mine, port and rail equipment. The majority of this equipment will be electric or battery electric powered by our renewable energy system.

In FY24, the team continued to design solution pathways consisting of both 'off-the-shelf' products and new technologies via collaborations and partnerships with world-leading original equipment manufacturers (OEMs), including Liebherr.

FY24 MILESTONES INCLUDE:

- Onsite trials of our first prototype battery electric haul truck, Roadrunner, concluded at Christmas Creek mine site exceeding the performance expectations of the battery power system while carrying 231 tonnes of iron ore. Roadrunner brings several surface mining firsts, including the ability to fast charge in 30 minutes and capacity to capture and store regenerated power as it drives downhill.
- Commissioning and site-based testing of a 3MW prototype fast charger for battery electric haul trucks at Christmas Creek.
- Commissioning of three Liebherr R 9400 E electric excavators at our Cloudbreak and Solomon mine sites, each having moved over 1 million tonnes in their first four operational months. These are powered by the grid via 6.6kV substations, switchgear and more than 2km of high voltage trailing cable.
- A prototype hydrogen fuel cell electric truck, Europa, completed testing in Perth and is now undergoing site-based commissioning at Christmas Creek.
- Commissioning and site-based testing of a prototype Offboard Power Unit, which can power a Liebherr R 9400 E electric excavator that Fortescue Zero retrofitted from a diesel unit, using onboard hydrogen and batteries as a zero-emission fuel source, at Christmas Creek.
- Mainline trials of a dual-fuelled prototype ammonia-powered locomotive at Solomon mine site, completing eight banking trial runs with no incidents.
- Procurement of two battery electric locomotives from Progress Rail, which are currently under construction and due to be delivered for mainline rail testing in FY25. Fortescue Zero's battery electric locomotive prototype is also under construction.
- At Solomon, we powered a dewatering well for the first time for a period entirely from solar energy as part of microgrid development. Microgrids will replace remote, diesel generation where loads cannot be connected to the main grid by 2030.
- Opening of a new state-of-the-art Fortescue Zero technical innovation centre in Kidlington, UK, to focus on the technical development, testing and prototype production of batteries and zero emission powertrains for a wide range of applications, including motorsports, mining haul trucks, and other off-road and automotive applications.

The Green Mobility group is also identifying solutions to replace diesel generators, light vehicles, support mining equipment and working with onsite contracting partners to align on a pathway to successfully transition their fleets. A suite of trials for validating battery electric light vehicles, support mining equipment and electrical infrastructure are planned throughout 2024 and 2025.

To date, the Fortescue Board has approved significant capital investment to decarbonise its heavy mobile fleet, including battery electric haul trucks, graders, tracked dozers, electric excavators and associated site infrastructure such as charging facilities and electric cables. In total, Fortescue will replace over 700 units of heavy mobile equipment as well as our mainline rail with zero emission solutions over the next six years to 2030. Some equipment will be developed through Fortescue Zero working with OEMs, with Fortescue Zero developing the zero emission power train. Other equipment, such as cabled electric excavators, are commercially available already.

GREEN SYSTEMS AND OPERATIONS

Fortescue is committed to operating its future decarbonised mining assets and power grid safely, reliably and efficiently in order to maximise value from the significant capital investment.

Throughout the remainder of the decade, Fortescue's power system will undergo a transformative shift from a conventional, thermal generator-supplied grid to one targeting 100 per cent Inverter-Based Resource (IBR) penetration and very significant energy storage capacity. Fortescue's load profile is also changing with the electrification of mining fleet, most notably the introduction of battery electric haul trucks and their high voltage charging stations. The scale and pace of this transition requires world-leading solutions for ensuring both continuous grid stability and optimal energy management.

The rapid transition in physical assets brings associated variability in renewable energy availability and this necessitates an equivalent evolution of the digital technologies and systems used for Fortescue's mining and supply chain planning as well as real-time operational control. The Green Systems workstream in the Decarbonisation program is tasked with designing and implementing these changes, working closely with Fortescue Zero and partners such as the National Renewable Energy Laboratory (NREL) in the USA plus leading vendors to develop and deploy cutting edge digital solutions.

FY24 milestones include:

- Defining the future energy aware planning processes for effective decision making over long, medium and near-term horizons with a 100 per cent renewable energy powered operation.
- Defining the control systems strategy for the decarbonised power grid and associated electrified mining equipment.
- Jointly developing with NREL an industry-leading bespoke modelling platform to simulate and optimise modern power grids.

DECARBONISING OUR VALUE CHAIN

Fortescue's second strategic pillar is reducing emissions in our value chain, requiring us to address downstream Scope 3 emissions, including those from our iron and steel customers, together with upstream Scope 3 emissions from our supply chain.

Among our value chain Scope 3 emissions, upstream emissions represent approximately three per cent (including one per cent from purchased goods and services and one per cent from shipping), while downstream processing of sold product (Category 10) represents more than 97 per cent in FY24. Hence, we prioritise engagement with customers and investments in technology improvement to achieve low-emission processing of iron ore.

DOWNSTREAM EMISSIONS (OUR CUSTOMERS)

During FY24, we transported 191.6 million tonnes of iron ore to customers.

To meet our Scope 3 targets of enabling a 7.5 per cent reduction in steelmaking emissions intensity by 2030 relative to FY21 levels and net zero by 2040, Fortescue is collaborating with partners and investing in technology and R&D to reduce the significant carbon emissions that come from the shipping and processing of our iron ore.

We are conducting R&D both in-house and in collaboration with steel mill businesses, global engineering companies and research institutions. We are a founding member of the Heavy Industry Low-carbon Transition Cooperative Research Centre (HILT CRC). This venture brings together industries, researchers, and government organisations in an effort to de-risk the technology pathways to decarbonise heavy industry. In addition to our yearly partnership contributions, Fortescue also engages further via in-kind contributions to the partnership's various projects.

Fortescue is currently progressing studies on the development of commercial-scale green metal production, both in Australia and abroad. Our work to convert low grade hematite ore into low-carbon green metal at a commercial scale is central to our efforts to reduce Scope 3 emissions. The Green Metal Project at Christmas Creek will demonstrate that Fortescue's suite of iron ores from the Pilbara can be processed into green metal.

The introduction of Iron Bridge is the largest contributor to our overall emissions reduction in the near term, with it's ramp-up contributing up to two to three per cent reduction in our emissions intensity by FY30. In addition, potential for higher grade iron ore products from the Belinga Project in Gabon could support an improved Fortescue product portfolio offering that supports reduced Scope 3 emissions intensity. This outcome is conditional on the development of the project. The evaluation of downstream processing of lower grade iron ore into green metal, which has now begun, is an important initiative with the potential to reduce Scope 3 emissions.

Shipping

Our commitment to address Scope 3 emissions also includes a target to enable a reduction in emissions intensity levels from the shipping of our iron ore by 50 per cent, from FY21 levels by 2030. In FY24, Fortescue demonstrated the use of ammonia for shipping on the *Green Pioneer* vessel. We aim for all Fortescue's own ore carriers to be powered by green fuels by 2030. We are proactively engaging with the shipping industry to promote a transition to ammonia-powered vessels.

Our engagement with shipping suppliers includes interim measures to identify and charter low-emission vessels (greenhouse gas ratings of A-D), targeting vessels which are equipped with energy-saving devices, optimising vessel and fleet size, using eco steam performing vessels, and optimising schedules for just-in-time arrivals.

UPSTREAM EMISSIONS (OUR SUPPLY CHAIN)

In FY23, we established a dedicated Decarbonisation Project Management Office within our Contracting and Procurement function, to identify and progress decarbonisation opportunities in our supply chain. This team is also integrating climate change requirements into Fortescue's source-to-contract process and building internal capability to support our Decarbonisation Program.

In FY24, we continued to focus on education and capability building with our onsite contractors to meet our 2030 targets at our Australian iron ore operations. Our Decarbonisation Project Management Office engaged directly with 77 strategic suppliers about our Decarbonisation Program and how to start developing their own roadmap to Real Zero. We also established a decarbonisation portal to share updates with our onsite contractors. Key suppliers have been required to submit decarbonisation plans.

We are working to improve our standard contract templates to clearly communicate our minimum expectations and reporting requirements with our suppliers to align with site decarbonisation timelines. Our tender submissions also include a request for product carbon footprint data and emission profiles of equipment supplied. We intend to launch new emissions contract clauses and introduce performance metrics into strategic categories next year.

In FY25, we will begin developing our targeted strategy for reducing Scope 3 emissions in our upstream supply chain. In preparation for this work, we invited our active suppliers to a decarbonisation information session hosted by the World Economic Forum in May 2024.

For high-risk sourcing activities, our commercial strategies focus on supply chain transparency to assess and validate risk. Our award criteria consider sustainability, along with price, quality and schedule. We prioritise suppliers who align with our Values and commit to working collaboratively with us to deliver sustainability outcomes in our shared supply chains. We believe that genuine partnerships and commitment to shared sustainability objectives with our suppliers lead to opportunities for innovation, proactive risk identification and mitigation, more effective remediation mechanisms, improved supply chain resilience, and competitiveness in the market.

CASE STUDY

CONTINENTAL INDUSTRY

Fortescue collaborated with conveyor belt supplier, Continental Industry, to complete an emission mapping study, comparing two types of conveyor belts. Multiple stakeholders supported the study, both internal Fortescue teams and external Continental Industry teams.

Fortescue recognises that reducing Scope 3 emissions is a challenge that cannot be tackled in isolation. Proactively engaging with our supply chain to reduce and remove upstream emissions is essential. As part of this journey, we educated our suppliers, conducted internal evaluations, and employed life cycle assessment (LCA) methodologies and tools to assess the environmental impact of products and processes.

The LCA-based assessment compared the decarbonisation potential of Continental's Conveyor Belts with Low Rolling Resistance Covers (CV917) ('Low Rolling Resistance Conveyor') vs. Standard Conveyor (CV913) ('Standard Conveyor'). Evaluations considered raw material input (kg) and operational energy efficiency (kWh).

Overall, the Low Rolling Resistance Conveyor demonstrated greater decarbonisation potential than the Standard Conveyor. Additionally, during the trial, Fortescue observed lower wear rates with the Low Rolling Resistance Conveyor, which indicate reduction in change outs and extended product life span.

Fortescue is strategically reducing emissions by developing strong relationships with supply chain partners and integrating life cycle thinking into decision-making processes.

CONTRIBUTING TO AN ECONOMY-WIDE TRANSITION

We are seeking to make a significant and strategic contribution to accelerating the global transition to a zero-emissions economy. As an integrated green technology, energy and metals business, we offer a suite of zero-emissions products and technologies to support industrial decarbonisation.

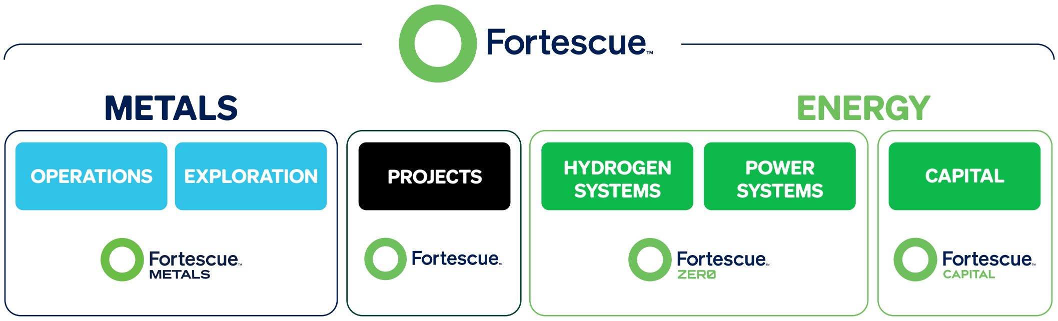
Our goal to eliminate fossil fuels from our Australian terrestrial iron ore operations and value chain is driving innovation in a suite of new decarbonisation technologies that we are developing through Fortescue Zero and elsewhere. In turn, we expect that we will be able to market these technologies, and our wider expertise in decarbonising industry, to support other industry players to implement and fast-track their climate transition strategies, thereby making a strategic and economy-wide contribution.

To encourage decarbonisation of industry beyond our own operations and to facilitate an economy-wide transition, it is essential to advance the adoption of renewable energy and clean fuels, particularly green hydrogen.

Fortescue has focused R&D and investment on early-stage technology as key enablers to making these energy projects more economically attractive, including innovations across solar, wind and battery technology, through means of Fortescue-led R&D, venture capital funding, partnerships, seed funding or acquisitions. This innovation focus and investment also extends beyond the project components themselves into the application and use of this energy, including downstream energy carriers and end-use applications that have potential to redefine paradigms across multiple industries. A key strategic focus as part of this downstream application is scaling the conversion of iron ore into green metal, using hydrogen as a reductant.

Fortescue has a substantial opportunity to demonstrate commercially viable technology, leveraging our innovation to support green energy transition, and attracting further investment in our green products and decarbonisation technologies. We are working to develop the green technologies for trucks, trains, planes, ships, electrolysers, solar, cables, wind, batteries, hydrogen fuel cells and the digital industry. Our values of generating ideas, stretch targets and empowerment foster an embedded culture of innovation across our workforce, placing our company at the forefront of technological development.

Fortescue Energy comprises the integrated segments of Green Energy Projects, Fortescue Zero (including Hydrogen Systems and Power Systems), and Fortescue Capital. For more information on these entities including achievements in FY24, please refer to the Operation and Financial Review.



FORTESCUE ENERGY

Fortescue is committed to green hydrogen and its derivatives, maintaining a portfolio of projects which show significant potential for decarbonisation and economic growth. Current projects are described in the Overview and in the Operating and Financial Review including four priority green hydrogen projects:

- Arizona Hydrogen, USA
- Gladstone PEM50 Project, Queensland, Australia
- Holmaneset Project, Norway
- Pecém Project, Brazil.

FORTESCUE ZERO

Fortescue Zero is the green technology and engineering services business, creating the solutions required to drive a zero emissions future. It is the driver for world-class technical innovation, engineering, testing and manufacturing services to deliver energy efficient performance. Our progress and achievements within the two arms, Hydrogen Systems, and Power Systems are described in the Overview.

FORTESCUE CAPITAL

Fortescue Capital is Fortescue's green energy investment accelerator platform headquartered in New York City. The platform is integral to Fortescue's commitment to deliver green energy projects, technology investments and decarbonisation initiatives. For further information on Fortescue Capital, please refer to the Overview section.

ADVOCACY

By working in genuine partnership with policymakers and civil society, Fortescue has a demonstrated history of supporting strong economic and social outcomes for our operating jurisdictions. As the energy transition gathers pace, we are building on this legacy by leading industry-wide action to inform, shape and shift key policy measures to encourage, rather than undermine, industrial decarbonisation.

Fortescue has contributed to a range of governmental processes associated with transparency, target setting and renewable energy uptake in our key operating jurisdictions. For example, we:

- provided economic modelling to support a more ambitious 2035 emissions reduction target for Australia and practical economic policy ideas to broaden Australia's climate policymaking toolkit
- participated in multilateral, bilateral and regulatory processes to demonstrate the viability of safe green ammonia for maritime decarbonisation
- contributed to the stablisation of the Australia – China relationship, including by hosting Premier Li Qiang at our Fortescue Zero Prototype Facility in Hazelmere to discuss opportunities for green metal supplies between our countries.

MAXIMISING OPPORTUNITIES AND MITIGATING RISKS IN THE ENERGY TRANSITION

Led by Fortescue Executive Chairman, Dr Andrew Forrest AO, we have laid out a clear plan for policymakers and economic leaders to support the transition to a zero-emission economy.

We engaged with the following key moments in FY24:

Promoting high-ambition corporate leadership and voluntary action in industrial decarbonisation.	**Shaping financial institutions, processes and flows to favour green energy solutions.**	**Rallying policymakers to reform fiscal, carbon and trade policy to incentivise faster emissions reduction.**
Participation in APEC 2023 in San Francisco, COP28 in Dubai and the World Economic Forum in Switzerland. Making the case for stronger transition planning with clear end dates for fossil fuels.	Keynote address at the JP Morgan Scottsdale Action Forum, Arizona to over 100 prominent CEOs, Chairs, bankers, US government representatives and policy leaders. Demonstrating Fortescue's progress on its industry-leading decarbonisation strategy.	Participation in the IEA 50th Anniversary and 2024 Ministerial Meeting, Paris. Dr Forrest met with the IEA Executive Director, Fatih Birol, and spoke at a 'High Level Ministerial Dialogue' on responsible investment and private-sector collaboration to accelerate energy transitions. Dr Forrest also attended roundtables with Energy & Resource Ministers, including on the topic of critical minerals.
Briefing to His Majesty The King and the Sustainable Markets Initiative at Buckingham Palace and on the Fortescue Green Pioneer.	Participation in the Choose France summit in Paris with President Macron to highlight Fortescue's projects in Europe, and its JV with OCP in Morocco, which has the potential to supply green electrons or molecules to France.	Munich Security Conference, Munich. Dr Forrest addressed policymakers, alongside senior White House officials on the need for significantly enhanced emissions reduction ambition in 2025 NDCs. Fortescue also hosted an official side event on climate change security risks with the Australian Strategic Policy Institute (ASPI), attended by Special Envoy John Kerry and Ambassador Rudd.
Keynote address to the Australian National Press Club by Dr Forrest on policy reform needed to help Australia seize green industrial opportunities; including through the termination of the diesel fuel tax credit.		Dr Forrest attended the China Development Forum in Beijing, and the Boao Forum for Asia and Australia China Senior Business Leaders Forum in Hainan Province. Dr Forrest made the case for China bringing its leadership, manufacturing capacity and innovation needed to leapfrog coal and transition fuels, while accelerating the global energy transition. ASEAN-Australia Special Summit, Melbourne. Dr Forrest spoke on the main panel at the CEO summit, attended by Australian Prime Minister Anthony Albanese and Treasurer Jim Chalmers.

A JUST TRANSITION

Fortescue is committed to ensuring that the communities in which we operate benefit from our success. Our social investment programs focus on providing training, employment and business opportunities for local people, particularly considering vulnerable and Indigenous communities and empowering women and children. These programs, developed in consultation with affected communities and guided by our existing Social Investment Framework and Human Rights Policy, ensure investment is aligned with our business objectives, our sustainability strategy and the United Nations Sustainable Development Goals.

As we develop our portfolio globally, our commitment to building thriving communities expands. For more information about our broader approach to ensure a just transition and social equity, including our commitment to retain, retrain and redeploy workers affected by our decarbonisation efforts, please refer to our FY24 Sustainability Report and our Climate Transition Plan, available on our website at **fortescue.com.**

CLIMATE-RELATED RISKS

Climate change is a material risk for Fortescue and has been consistently represented as such since the commencement of our formal corporate social responsibility and sustainability disclosures in 2017. In 2020, we began standalone reporting on climate change, reflecting the importance of this issue to our business.

Building on our long-term understanding of climate-related risks and opportunities, we have further refined our understanding of the potential implications of a changing climate. This year, Fortescue has performed its first sustainability double materiality assessment to support a refresh in our strategy and to cast a greater spotlight on our sustainability-related issues, including climate change.

The results from this assessment provided a framework for a more granular analysis on how these material climate-related risks are managed across our business. With this approach, we continue to consider the outward social and environmental impacts associated with our activities, as well as the sustainability-related risks and opportunities impacting our financial performance. Full details of this assessment are provided in our FY24 Sustainability Materiality Report available on our website at **fortescue.com.**

An overview of climate-related physical and transition risks is presented below.

PHYSICAL RISKS

Physical climate risks arise from the direct or indirect impacts of changing climate and extreme weather events. Increasing temperatures and the prevalence of extreme weather events such as heatwaves, droughts and bushfires can disrupt operations, damage infrastructure and challenge supply chains. These conditions can lead to higher operational costs, reduced productivity and potential losses in revenue. Additionally, changes in precipitation patterns and the increased frequency of intense rainfall events heighten the risk of flooding, which can damage assets, disrupt operations and lead to repairs and downtime. Coastal assets are vulnerable to sea level rise and storm surges.

Bushfires present a significant hazard in the Pilbara region, particularly during the summer months from November to April. This period corresponds with the region's hot and dry season, characterised by high temperatures and low humidity. Climate change will have an impact on fire weather patterns, especially the pattern of heavy rain promoting vegetation growth followed by dry periods that create abundant fuel, which can significantly heighten the risk and intensity of bushfires.

Dry lightning, which occurs when thunderstorms produce lightning strikes with little to no rainfall, creates ideal conditions for igniting bushfires. Between November 2023 and January 2024, storms with lightning strikes and dry conditions resulted in a total of 48 days of bushfires at the Eliwana mine site. This level of bushfire exposure is unusually high, partly due to drier-than-normal climatic conditions and our reduced ability to implement preventative burning controls during cooler times of the year.

Severe temperatures in locations where we operate can also create a hazard. Temperatures are already extreme in the northern part of Western Australia – and always have been. However, temperatures are increasing and the state endured one of its hottest summers on record this year with temperatures 1.56°C above the 30-year average from 1991 to 2020. Several record maximum daily temperatures were broken across the state.

Gabon, while not as hot, experiences humid conditions, which will be an important consideration for managing health and safety risks at the Belinga Project. Exposure to excessive heat, particularly in humid conditions, can lead to heat-related illness in our workforce working outside. Climate change will increase the risk, and studies suggest that, for every 1°C the planet warms, humidity rises by about 7 per cent. Increasing humidity can have significant impacts as the upper limit of our bodies to deal with heat decreases in high humidity, with heat stroke (the most severe form of heat illness) becoming possible from as low as 31-35°C in humid conditions.

Climate-related physical risks

RISK DETAIL	STRATEGIC RESPONSE
Damage to assets or operational disruptions resulting from the increasing occurrence of climate-related hazard events	
Our asset portfolio is exposed to climate-related hazards, potentially causing material damage and/or production delays to our mining and rail operations and connecting infrastructure, leading to operational disruptions, impacts to production rates and increased capital costs associated with asset repair. There is also the risk of disruptions to overhead line assets due to lightning. Global sea level rise coupled with storm surge has the potential to cause material damage to our port infrastructure and green energy production facilities located within proximity of watercourses/ coastlines through inundation, with extreme winds potentially causing port closures and evacuation of ships, significantly disrupting freight schedules.	Fortescue is focused on building resilience into operations to protect assets and minimise operational downtime from extreme weather events. We have constructed our port, rail and mine infrastructure to meet engineering specifications, accounting for the future risk of extreme weather events by considering current industry standards, including the Australian Rainfall and Runoff Guidelines and the Standard Engineering Specification for Drainage and Flood Protection. Infrastructure is designed to have various levels of flood immunity depending on the criticality and life of the asset. We continue to work closely with the Pilbara Ports Authority and other operators to minimise impacts to ship movements during extreme weather events in Port Hedland in line with emergency management procedures. Recognising the critical nature of the port operations and risks arising from a changing climate, we endeavour to strengthen this relationship to further enhance our understanding of possible future scenarios to develop robust adaptation strategies. To ensure the resilience of our operations into the future, we conduct climate change assessments on hydrology (rainfall and flood risk) as a standard activity on all project studies in Fortescue Energy and undertake sensitivity assessments of facility floor levels, drainage infrastructure and flood mitigation measures against climate change affected storm events.
Supply chain disruptions and delays	
Climate change impacts can also be felt throughout our supply chains. Flooding, heatwaves, storms or bushfires can disrupt supplier production or impact transportation corridors, which can cause delays.	Fortescue works with its transport providers to establish alternative routes or transport modes in case of road closures due to storms, flooding or bushfires. Where possible, inventory is transferred between Fortescue's sites to reduce risk to assets and ensure continuity of operations. Fortescue has an established network of transport providers available to service our logistics requirements. Our contracted logistics vendors are monitored in their performance with agreed insurances to further mitigate risk. We continuously explore opportunities to optimise existing supply sources and identify alternative sources for critical goods and services to diversify our supply chain. We also actively work to secure resources within our control in order to strengthen the resilience of our operations' logistics and critical services against supply disruptions.

RISK DETAIL	STRATEGIC RESPONSE
Increased worker health and safety risks	
Climate change impacts can result in illness, potential loss of life or loss of production. Extreme heat can lead to heat stress, which can put employee safety at risk and disrupt operations. Heat stress or stroke can cause the worker to seek medical attention and take time from work to recuperate. In severe cases, exposure to extreme heat may even cause death.	Fortescue has always operated in areas that are impacted by severe weather events, extreme temperatures and bushfire risk, and we have controls in place to manage these risks which will be more widely used if impacts become more severe. We manage the risk to the health and safety of our people, including onsite contractors, by implementing a number of hazard control standards and management procedures detailing requirements for effective prevention, preparedness and response for hazards such as extreme weather, flooding and cyclones. We implement a Bushfire Risk Management program across all our sites which focuses on the protection of people and key assets/infrastructure, including fire buffer zones for each asset. The program incorporates the use of prescribed burning to reduce fuel loads and minimise the frequency, intensity and duration of bushfires. Heat stress and vector or waterborne diseases, which includes potential exposure to biological contaminants, are managed through our Fortescue Health Standard and relevant procedures to ensure preventative measures are adopted.
Tailings storage facility failure	
Climate change impacts, such as increased precipitation and/or storm intensities, have the potential to place increased stress on tailings storage facilities. The impacts may also challenge operational assumptions about water management and associated controls for mitigating the risk of facility failure.	Our tailings management strategy is a risk-based approach to ensure there are appropriate controls in place to mitigate risk of tailings storage facility (TSF) failure, including assessment and provision for climate change. Our TSF designs utilise risk-based design criteria such that the risk of failure is as low as reasonably practical (ALARP). This includes allowance of water management on our facilities up to the probable maximum flood (PMF) event with allowances for increasing storm intensities due to climate change. This is applied throughout operations and planned for in closure.
Vulnerability to water-stress	
The potential for prolonged drought events or changes to precipitation patterns may place increasing stress on the availability of water resources required for mining operations and green energy production. This may delay approvals, lead to more stringent controls and impact relationships with local stakeholders. Reduced water availability (surface water and/or groundwater) may impact on hydrogen production, and drawdown of groundwater/reduction in surface water flows may increase potential for environmental impacts and/or downstream/surrounding users.	Our water strategy is focused on reducing water usage across our operations. This includes assessing technological solutions and identifying metrics and internal performance standards to manage water scarcity potential. We take a risk-based approach towards ensuring secure water supply and managing climate-related risks for each of our operations. Water sources providing operational water supply that may be impacted by changing climate are considered by assessing different (dry and/or wet) climate scenarios. This informs us whether these water sources can meet operational water demand and whether additional or alternative water sources are required. We also assess the extent to which prolonged droughts may place additional stress on mine water supplies, which may increase the risk of non-compliance with environmental approvals. We incorporate drought conditions into water supply assessments during evaluation of new projects, and we have included consideration of water supply availability risk into our standardised risk module library to inform internal project evaluation.

CASE STUDY

RAIL BUCKLING AND DERAILMENT INCIDENT

Fortescue's climate change strategy includes a focus on building resilience into our operations and protecting assets to minimise operational downtime from extreme weather events.

Fortescue's three mining hubs in the Pilbara are connected to our port facility by 760km of rail. In December 2023, a heat-related buckle in our railway line led to a derailment and damage of ore cars, about 150km south of Port Hedland.

On that day, the Marble Bar weather station recorded a maximum temperature of 49.3°C at 3.56pm, marking one of the hottest December days in Western Australia on record.

The wagons were empty when they derailed and there were no injuries recorded. However, the derailment impacted supply of iron ore to our port operations for 78 hours.

Accelerated re-rail program

Our Rail Maintenance team has already been implementing an accelerated re-rail program as part of our standard rail maintenance procedures. With annual expenditures of approximately A$50 million, the program focuses on rectifying identified track defects to manage our asset.

As part of this program, and in specific response to the incident, an internal investigation was launched into the impacts of extreme heat on the railway infrastructure to review and quantify our maintenance strategy and to better understand the various interacting causal factors leading to heat-related buckle. The investigation results were verified by an independent technical expert team from Monash University, ensuring the reliability and accuracy of our findings and actions.

The learnings derived from this investigation have informed our modelling and risk assessment processes, supporting a more holistic approach to maintenance practices including those that consider the potential for increased likelihood and severity of extreme weather events that may eventuate as a result of climate change.

TRANSITION RISKS

Transitioning to a low-carbon economy involves extensive changes in policies, laws, technologies, and markets to meet climate change mitigation and adaptation requirements. The nature, speed, and focus of these changes can create transition risks that pose challenges for organisations.

For many, transition risks focus on challenges associated with requirements to decarbonise and keep pace with global developments. We are already investing heavily in green energy and decarbonisation, demonstrating that change is possible. Our transition risks also include challenges with respect to supply and demand timing for our technology and energy solutions and anticipating emerging and developing regulatory requirements.

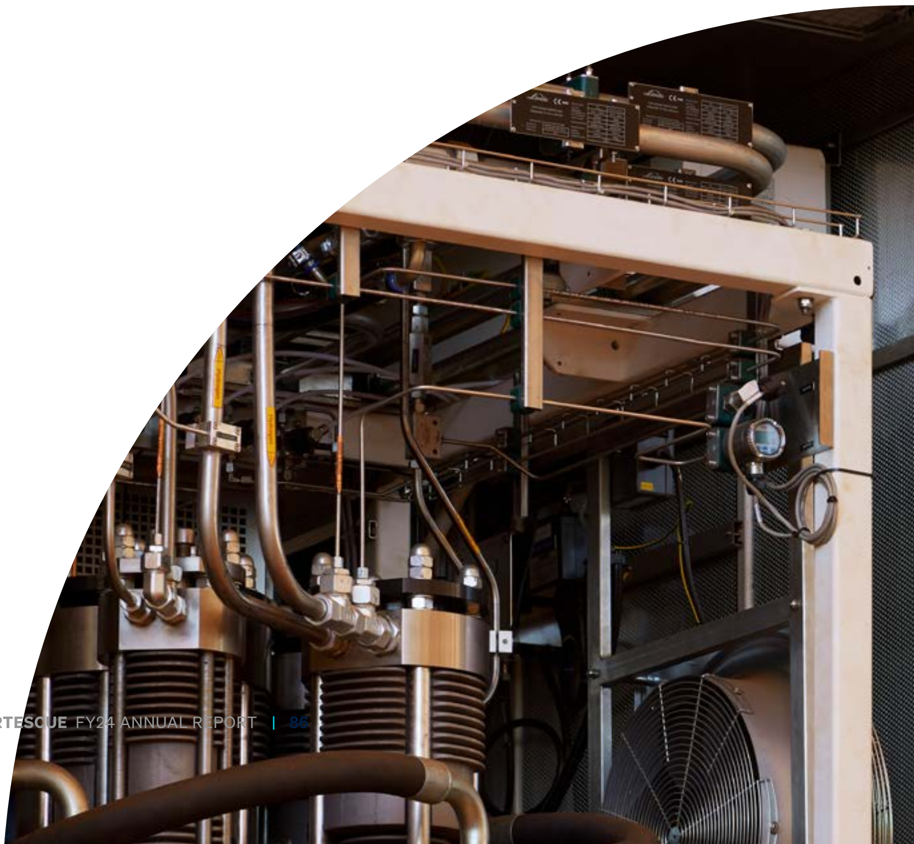
We continuously navigate market and technological changes and adapt to evolving regulatory landscapes to maintain a competitive edge and respond to enhanced sustainability requirements. As countries and vulnerable communities increasingly contend with accelerating climate impacts, there is an elevated risk of social and policy tipping points that may drive the introduction of tighter climate regulations. By continuing to innovate, embracing sustainable practices and aligning strategies with evolving market demands, we can minimise our risks and capitalise on opportunities.

Climate-related transition risks

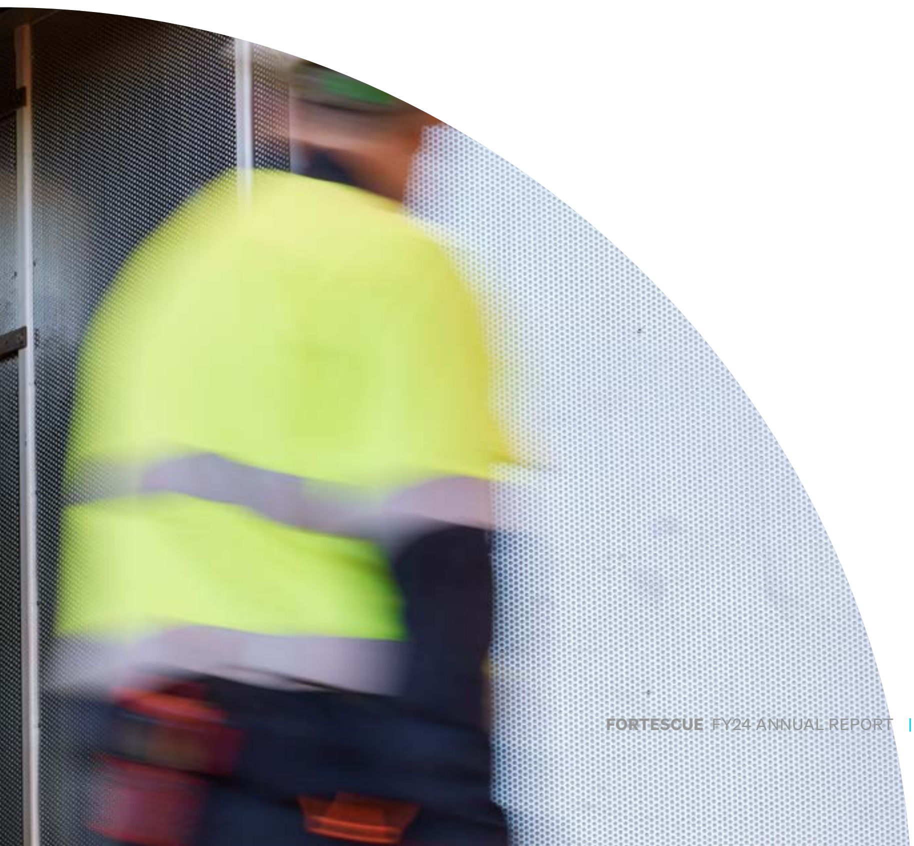
RISK DETAIL	STRATEGIC RESPONSE
Existing and emerging policy and regulatory demands resulting from a global goal to decarbonise	
Evolving policy and regulatory changes are a material risk for Fortescue, including regulatory uncertainty in relation to green hydrogen and ammonia. There is also ambiguity and lack of global alignment of the definition of what is considered to be a green fuel. Inconsistent guidance across jurisdictions can lead to misalignment with stakeholder expectations, challenges in reporting, and difficulties in selling 'green' fuels.	We closely monitor policy and regulatory developments and regularly conduct scenario analysis to anticipate potential regulatory changes impacting projects and the ability to source compliant fuels. We proactively engage with government bodies, regulators and industry associations to influence favourable policy and regulatory outcomes and advocate for global mutual recognition in the various markets and reporting standards. For more information about our engagement strategy, including engagement and advocacy activities with industry and government, please refer to our Climate Transition Plan, available on our website at **fortescue.com**.
We understand that investors are increasingly prioritising sustainability criteria when making investment decisions, resulting in elevated pressures to comply with complex standards to maintain investor confidence and ensure access to capital.	Fortescue has extensive engagement with shareholders, lenders and the investment community on sustainability matters to ensure it is transparent in its approach and that investors areas of concern are understood. ASX Releases, investor and analyst briefings and the Annual Reporting suite are important channels to communicate and report on Fortescue's approach to sustainability. In November 2023, we launched Fortescue Capital, headquartered in New York City, as a new green energy investment platform and an integral next step in Fortescue's commitment to deliver green energy projects and decarbonisation investments. As a fiduciary of third party capital, we must not only meet our own rigorous ESG standards, but also the requirements and expectations of our investors. These institutional investors – typically pension funds, sovereign wealth funds, foundations and endowments – are known for their exemplary commitment to sustainability and ESG principles, often regarded as the gold standard in the industry. This dual sensitivity fosters a culture of accountability and continuous improvement.
Emerging technologies and technical viability of decarbonisation	
We accept that there are, and will be in the future, technical challenges related to decarbonisation. The achievement of our decarbonisation targets depends on Fortescue's success in integrating new zero emission technologies into existing operations in an accelerated timeframe. This could lead to unforeseen operational issues impacting production.	Fortescue is rapidly adapting and applying existing technologies in new ways and working with OEMs to develop and deploy entirely new technology in our operations. Integrating new zero-emission technologies into existing operations is complex. It involves replacing or evolving legacy systems and establishing new robust operating systems as we introduce intermittent renewable energy sources and battery storage to power a new electrified fleet. To ensure seamless integration and mitigate any potential risks, we are testing all zero-emission technology in our own operations under controlled conditions before broader deployment. We continue to work with leading technology providers to minimise all risks associated with technology performance as well as the integration of such technology into an existing operating environment.
As a first-mover company we face the transition risk of balancing the protection of our intellectual property (IP) to maintain a competitive edge with the need to share knowledge to drive industry-wide progress.	Successfully navigating conflicting dynamics is essential for Fortescue to lead in innovation and global decarbonisation efforts. Fortescue Hydrogen Systems (FHS) leverages its ability to rapidly prototype, enabling fast turnaround times for inventions, which in turn facilitates the rapid analysis of commercial and technical viability in practice. This ability ensures that invention disclosures are quickly converted into patent applications, maintaining an agile approach to protecting the IP generated. FHS has also actively segregated business units developing individual components with high-value IP. Fortescue Zero manages competitive technology and IP risk on a case-by-case basis, ensuring a suitable approach depending on the nature of the IP whilst ensuring collaboration with external partners. Additionally, we conduct market intelligence to identify future technologies and baseline the current performance of our internal product development, ensuring we remain at the forefront of the industry.

RISK DETAIL	STRATEGIC RESPONSE
We rely on the future availability of a workforce proficient in advanced green technologies, renewable energy systems and hydrogen production. The current labour market has a limited supply of skilled professionals in these emerging fields, and the intense competition for talent in the renewable energy sector further exacerbates the challenge of attracting and retaining the necessary expertise.	We are in a unique position as a vertically integrated green metals, technology and energy business. Our people operate across the full value chain and are excited to be developing new technology, testing new systems, and rethinking the way traditional mining operations are powered and run. Strengthening our brand through showcasing decarbonisation initiatives and fostering a supportive work environment further distinguishes us as an employer of choice in the sector. Our commitment to pioneering decarbonisation practices positions us as an employer of choice for professionals seeking to contribute to transformative environmental initiatives. Guided by our Workforce Transition Strategy launched internally earlier this year, we are heavily investing in our people through apprenticeships, nationally recognised qualifications, OEM training and in-house developed training packages, fostering internal capability development opportunities and demonstrating a commitment to career growth in renewable energy.
For Scope 3, there is a risk that technology and policy do not keep pace with our decarbonisation ambition. In addition, some of our customers might not transition to low-carbon technologies and practices at the necessary pace. Meeting Scope 3 decarbonisation targets involves overcoming major technical obstacles to produce green steel, including application of hydrogen-based processes and renewable energy integration. These innovations require addressing significant engineering challenges related to optimising efficiency, ensuring reliability, and achieving scalable deployment.	Without technology changes, limited Scope 3 reductions are achievable. Fortescue is actively developing and scaling several zero emission reduction and electric smelting technologies to show that change is possible. The adoption of hydrogen-based technologies in green metal production offers a pathway to decarbonise the steelmaking process. The production of green metal using hydrogen as a reducing agent, instead of carbon-based sources like coke in traditional blast furnaces, significantly reduces carbon emissions in the production of steel. This process, known as hydrogen direct reduction, emits water vapour rather than carbon dioxide. Most of the iron and steelmaking technology development to date has focused on the processing of ultra high-grade iron ores, which comprise a small portion of global production. Fortescue's iron ores, and those of Australian producers in general, require a different technological solution for processing into emission-free iron and steel. Fortescue is mitigating the risk of implementing relatively unproven commercial-scale technologies by fast-tracking pilot projects such as the Green Metal Project, which aims to produce its first green metal in 2025. This project will test the technologies needed for the production of green metal using Australian iron ores which are not ultra high-grade.
Shifts and uncertainties in market demand for our commodities, products and services	
The global push towards reducing carbon emissions and enhancing sustainability may alter demand patterns in the steel industry. The rise of green steel production may demand different types or grades of iron ore, potentially reducing the need for traditional iron ore products.	We maintain strong relationships with our customers to ensure supplies of iron ore meet their expectations in terms of quality, consistency and reliability of supply. Fortescue produces a range of products, with several higher quality, and lower emissions products, including our new magnetite product from Iron Bridge, as well as hematite products including Kings Fines, West Pilbara Fines and Fortescue Lump. Diversification of Fortescue's product offering buffers uncertainties in market demand and allows us to manage the placement risk of lower grade volumes and pivot towards potential growth markets. Fortescue is also investing in iron making technologies that use our ores as input to produce green metal while producing the green inputs for the process (decarbonised iron ore, green hydrogen and renewable energy) and constructing the Green Metal Project to demonstrate that green metal production is feasible for Fortescue's ore types.

RISK DETAIL	STRATEGIC RESPONSE
The economic viability and cost-competitiveness of green hydrogen and ammonia present another major transition risk. Currently, green hydrogen production is more expensive than traditional methods due to high costs of electrolysers and renewable energy infrastructure. Market confidence may be impacted if green energy projects are not executed or are too cost intensive.	To address the economic viability and cost-competitiveness of green hydrogen, the GEM Centre has initiated the manufacturing of electrolysers on its automated assembly line and is currently optimising processes to reduce overall assembly duration. By leveraging automation and scale, the business mitigates labour constraints and reduces component costs, ultimately achieving a lower cost of hydrogen. Producing high pressure proton exchange membrane (PEM) electrolysers offers several key technological advantages that enhance cost competitiveness. The fast response times of PEM electrolysers enable higher utilisation factors when operating on variable renewable energy, while their high pressure and purity reduce downstream gas processing requirements, thereby lowering the overall cost of hydrogen production. This approach not only supports the economic viability of green hydrogen but also builds market confidence by demonstrating efficient and cost-effective execution of green energy projects.
Reputational damage tied to changing societal expectations	
We consider our Real Zero transition not just a regulatory or ethical mandate but also a competitive differentiator. Falling short of decarbonisation commitments can result in a loss of competitive edge, damaging our reputation, eroding stakeholder trust and brand value.	We are investing heavily in the decarbonisation of Fortescue's iron ore operations in order to meet our Real Zero commitments. Our Fortescue global brand is built on a vision of shareholder value in the growing green transition. Sustainability has been deeply integrated into the way our business orients to market. The examples of decarbonisation of our mining operations, the core technologies coming to market under Fortescue Zero and the large-scale energy projects we have under development are compelling proof of our commitment and will remain a key aspect of our strategic communications. Our portfolio has grown through acquisition and research, and now includes many different aspects of the global green transition. This increased scale of our global operations abates some risk as well. We connect regularly with our stakeholders across the business and work to deliver narrative examples across our channels, and to evaluate if any challenges are going to impact our plans.



RISK DETAIL	STRATEGIC RESPONSE
Potential greenwashing allegations pose a significant risk to our business, as they can undermine our reputation and lead to legal and financial penalties. If our sustainability efforts are perceived as misleading or if we unintentionally fail to comply with the law, environmental regulations or 'green' product certification requirements, we risk eroding stakeholder trust and attracting scrutiny from third parties including regulators, shareholders, environmental and activist groups, and competitors, which could result in legal consequences (e.g. damages and injunctions) and damage to our reputation and market credibility.	We deliver advice and training to Fortescue personnel on the risks of greenwashing, and we prepare and circulate guidelines on best practices to help mitigate risk. Additionally, we review and advise on greenwashing risks in various company materials and publications, including annual reports. Our market announcements are handled in accordance with our Continuous Disclosure and Market Communications Policy. By integrating sustainability into our core business strategies, we align all aspects of our operations with our sustainability goals, with the goal of ensuring transparency and credibility. In 2023, we made improvements to our internal verification process to continue to ensure Fortescue's publications accurately represent our activities. Led by our Legal team, this process involves checks to verify the accuracy of our sustainability claims and help prevent misleading information.
Prioritisation of decarbonisation strategy to address climate change may divert focus from other sustainability-related risks. This could lead to potential challenges to uphold our social and environmental policy commitments. Balancing our focus on climate action with our broader sustainability obligations remains critical to maintaining stakeholder trust and ensuring comprehensive environmental stewardship.	Sustainability is integrated into our decision-making, strategic and risk management processes. Compliance with all relevant legislation and obligations, including those that govern health, safety and environment, is the absolute minimum standard to which we operate. Our sustainability commitments are developed in collaboration with our stakeholders and aim to create value for our investors, ensure the health and safety of our employees, protect the environment and empower the communities in which we operate. Our unique culture and Values form the base of our sustainability approach, which drives specific policies, ambitions and targets. Fortescue operates under a Code of Conduct and Integrity which reflects our Values and represents our commitment to uphold the highest ethical business practices. Our core principles and Values are documented in the Code, which is supported by a suite of policies and standards that shape our business, including several supporting our sustainability related matters such as our Anti-Bribery and Corruption Policy, Diversity Policy, Environment Policy, Equal Opportunity, Discrimination and Workplace Bullying Policy, and our Health and Safety Policy.



CLIMATE-RELATED GOVERNANCE

BOARD

Audit, Risk Management and Sustainability Committee[1]

Remuneration and People Committee[1]

Finance Committee[1]

Nomination Committee[1]

MANAGEMENT

SUSTAINABILITY COMMITTEE

Support and advise the ARMSC on climate-related strategy, risks and reporting

Emissions actuals and forecasts

DECARBONISATION STEERING COMMITTEE

Guidance and direction to decarbonisation program leadership

Endorse capital investment decisions

Solution Selections

Program progress including capital estimates

FORTESCUE ENERGY PROJECT INVESTMENT COMMITTEE

Provide input and guidance on capital investments related to Energy:

Projects

Large operational purchases and fees

Large investments

[1] Effective 1 July 2024, Fortescue implemented a new committee structure. The new committees are:
(a) Audit, Finance and Risk Management Committee
(b) People, Remuneration and Nomination Committee
(c) Safety and Sustainability Committee

CLIMATE-RELATED GOVERNANCE FRAMEWORK

Good corporate governance is critical to the long-term sustainable success of Fortescue and is the collective responsibility of the Board and all levels of management. We seek to adopt leading practice and contemporary governance standards and apply these in a manner consistent with our culture and Values. Fortescue's governance framework is outlined in our FY24 Corporate Governance Statement and includes a description of:

- our governance framework
- the role and responsibilities of our Board, committees and directors
- the role of the Delegations of Authority
- meeting attendance for our Board and committees
- Board skills matrix and diversity
- how directors maintain the skills required to discharge their duties.

The FY24 Corporate Governance Statement, Statement of Matters Reserved for the Board and Charters for each committee are available on our website at **fortescue.com.**

The Board has delegated responsibility for day-to-day activities to the executive team. This includes delegated responsibility for instilling, reinforcing and living our Values, executing our business strategy, managing business performance, reviewing and managing material risks, including climate-related risks, and leading and developing people and talent within the organisation.

SUSTAINABILITY COMMITTEE

At the executive level, the Sustainability Committee (SC) is responsible for supporting and advising the Board-level Audit, Risk Management and Sustainability Committee (ARMSC) on sustainability matters including those that relate to environmental policy and management, human rights, climate change strategy, procurement and social investment, and for ensuring policies, processes and standards are being implemented for the effective management of sustainability matters. The SC is chaired by the Director of Sustainability and External Affairs or a C-suite Executive.

Members of the SC include executive officers and senior leadership representatives from a number of areas, including:

- C-Suite executive team (Chief Executive Officers (CEOs), Chief Financial Officer (CFO), Chief Operating Officer (COO))
- Sustainability and External Affairs
- Legal
- Approvals, Community and Environment
- Decarbonisation
- Contracts and Procurement
- Communications
- Investor Relations and Funding
- Fortescue People.

The SC met three times in FY24 and provided updates and advice to the ARMSC at its quarterly meetings on a range of climate-related issues, including emissions actuals and forecasts, Science Based Targets initiative (SBTi) submissions and emerging mandatory disclosure requirements. From 1 July 2024, such updates will be provided to the newly-established Safety and Sustainability Committee.

DECARBONISATION STEERING COMMITTEE

The Decarbonisation Steering Committee (DSC) comprises the Fortescue Metals and Fortescue Energy CEOs and the Fortescue CFO and additional executives as required depending on the topics for discussion. The DSC endorses capital investment decisions in advance of these progressing to the Board; makes decisions on solution selection; reviews program progress, including updated capital estimates; and provides guidance and direction to the Decarbonisation Program leadership.

The DSC met eight times in FY24 and provided updates and advice to the ARMSC at its quarterly meetings on a range of issues, including implementation of our decarbonisation strategy and allocation of capital for decarbonisation projects. From 1 July 2024, such updates will be provided to the newly-established Audit, Finance and Risk Management Committee (AFRMC).

PROJECT INVESTMENT COMMITTEE AND GATEWAY REVIEW GROUP

Fortescue has strong dynamic capabilities, taking advantage of opportunities as they arise to establish competitive advantage and initiate change. Our greatest opportunity potential lies within the transition into a vertically integrated green energy and resources company. To support this transition, we have clear guidelines established to support the process of evaluating new investments and development opportunities.

The Fortescue Energy Project Investment Framework (PIF) guides the evaluation and development of capital investment opportunities from project inception to construction and operations. The PIF drives consideration and assessment of a wide range of criteria including commercial viability and emission reduction potential, as well as sustainability and human rights issues. As a project matures from inception to execution, it is reviewed by the Project Investment Committee prior to Board approval.

There is an existing development framework for Metals projects, and with the recent amalgamation of our Projects teams we will be looking to amend the PIF process to include all Major Projects.

Similarly, at Fortescue Zero, the New Product Creation System provides high-level guidance on the process to facilitate delivery through a structured set of milestones. This ensures that a wide range of sustainability considerations are incorporated throughout the development of new products. All projects are subject to prior review and recommendation by the Gateway Review Group. Membership of this group consists of lead representatives from each part of the business involved in the opportunity being discussed.

MANAGING RISK

Fortescue takes a risk-based approach to understand its exposure and vulnerability to climate change.

Our risk culture emanates from our Values, builds on our Code of Conduct and Integrity and is operationalised through Fortescue's Risk Management Framework (FRMF). The FRMF provides a consistent approach to identifying, assessing and treating risks, monitoring associated controls and reviewing the continued effectiveness of risk management across the business. It consists of a Risk Management Policy, Risk Management Standard and a Risk Management Procedure, and is further supported by standards on planning for business continuity and disaster response.

The consistent application of Fortescue's Risk Management Standard by all management teams directly supports the Board's oversight of the material risks that could impact Fortescue's ability to create or preserve value for its stakeholders over the short, medium and long term. In line with our Values and a strong belief in the long-term success of developing internal capability, we have a designated Climate Risk subject matter expert working with our Risk and Assurance team to reinforce consideration of climate risk within our risk culture and risk management processes.

For further information on the FRMF and our material risk exposures, please refer to our FY24 Corporate Governance Statement, available on our website at **fortescue.com.**

ENTERPRISE RISK MANAGEMENT

Fortescue is building on our long-term understanding of climate-related risks and opportunities as we turn our focus on integrating climate change into our global risk management system (CGR) aligned to our FRMF.

We have commenced an internal review process to refine and consolidate processes and practices, leveraging our FRMF to ensure a consistent and integrated approach to identify, assess, prioritise and monitor climate-related risks across the business. The review feeds into our internal Climate Readiness Program, set up with a focus on coordinating and building internal capabilities to enable consistent integration of climate risk within a number of critical business functions.

Given its significance within Fortescue's value chain, we started the process using a case study approach to analyse key operational risks associated with Herb Elliott Port and associated key port infrastructure. In this process, we specifically focused on possibilities to integrate climate risk assessment methodology into existing risk management practice, with the intention to apply learnings across our whole suite of material climate-related risks and opportunities identified through the Sustainability Materiality assessment (see climate-related risks in Our Strategy).

LEVERAGING OUR EXISTING RISK MANAGEMENT FRAMEWORK

Provide scope, context, criteria

The risk management process begins with defining business objectives, and managers regularly review risks in relation to these objectives.

Internal and external factors influence risk exposure, including economic or geopolitical developments, climate change, communities' and investors' expectations, or legislative requirements.

Integration of climate change will involve operationalising the consideration of multiple time horizons into relevant business risks and to introduce standardised guidance on climate-related scenario analysis for strategic and operational level application.

The Risk Management Standard sets a materiality threshold for the risks of greatest significance to Fortescue and outlines the Company's expectations with respect to understanding and managing those risks. Material operational risks, such as those related to port and rail infrastructure, are identified and articulated in the Group's risk management system.

Managing climate-related risk requires a more forward-looking approach than is typically used for other risks because climate change is considered an 'emerging' risk, as physical climate hazards may worsen over time and the transition to a net zero economy becomes increasingly urgent.

Identify and assess risk

The risk identification process includes the systematic identification of potential threats and uncertainties that could affect our ability to achieve objectives.

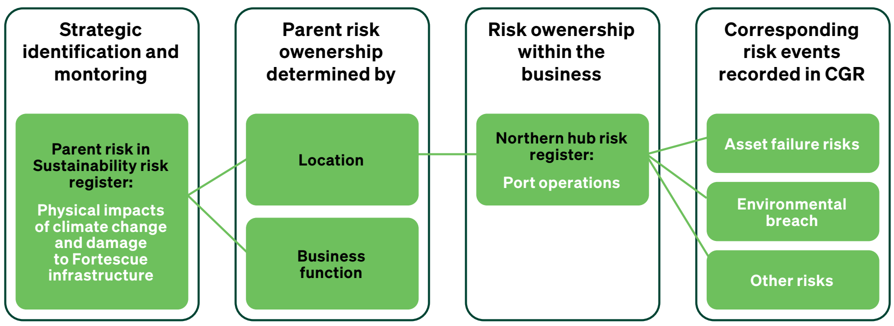
Relevant stakeholders are involved to assess the potential likelihood and consequence of the risk and determine whether the risk is material to the business.

Integration of climate change will involve identifying and monitoring climate-related risks at multiple levels within the corporate risk management system.

Climate-related risks are identified at the strategic level and entered as a 'parent risk' into Fortescue's Sustainability risk register. This ensures strategic oversight and collaboration across various business areas.

Parent risks will then be linked to their corresponding 'operational' risks managed by the respective teams, creating multiple 'layers' of how climate-related risks and opportunities are monitored across the business.

With a specific focus on Herb Elliott Port and the Judith Street Harbour towage infrastructure in Port Hedland as a case study, we considered the strategic risk of potential damage to assets or operational disruptions, specifically looking at eight existing risk events in the port operations risk register with climate-related hazard exposure. Risks included Port Hedland channel blockage, vessel sinking or grounding at Fortescue berth, potential environmental breaches, fixed plant structural failure, and failure of shiploader, stockyard balance machine and train unloader.



Treat risk

Once a target risk rating is set and agreed upon, the risk treatment process involves developing strategies to address risks consistent with Fortescue's risk appetite.

Options for managing each risk include accepting the risk, avoiding the risk, transferring the risk or mitigating the risk.

Integration of climate change will involve introducing a forward-looking approach to risk and vulnerability management and developing standardised processes and procedures to systematically capture impacts of climate-related events.

Identified operational risks were re-assessed to consider medium and long-term horizons to take account of the possible increase in the frequency and intensity of extreme events for high emission trajectories. Risk treatment plans are also reviewed to identify vulnerabilities to projected changes.

While approaching unprecedented conditions, to understand the implications of future change requires a robust understanding of current climate-related impacts to evaluate risks, allocate resources, and develop strategies for long-term resilience.

Monitor and review

Risks are reviewed at least annually, including re-evaluation of the risk environment, assessment of critical control effectiveness, and a review of the status of risk treatment actions.

The directors, through the ARMSC[1], regularly review the Group's risk profile and assess progress in managing high and extreme risks.

Integrating climate change into operations will involve setting up a physical climate risk dashboard, representing worst-case scenario exposure across multiple time horizons.

A forward-looking reassessment of existing operational risks revealed that while some risks are already well-controlled, others could escalate due to climate change if not proactively managed. The introduction of a designated climate-risk dashboard will support internal monitoring and review processes, illustrating expectations of how climate-related risks and potential impacts may evolve over time.

[1] From 1 July 2024, such reviews will be undertaken through the newly-established Safety and Sustainability Committee.

CLIMATE RESILIENCE

Fortescue commenced scenario-driven analysis in 2019 in line with TCFD-aligned climate disclosure requirements. Since then, scenarios have been continuously revised to reflect global developments and to accommodate our rapidly evolving business needs.

In 2023, we progressed our approach to scenario analysis, building on the narratives proposed in the IPCC Sixth Assessment Report. To assess physical climate risks, we used SSP1-1.9 (a low emission scenario), SSP2-4.5 (a moderate emission scenario), and SSP5-8.5 (a high emission scenario) to explore our exposure to physical risk for Pilbara assets, Phoenix (Arizona, US), and the Coastal China region for 2030 and 2050. The analysis included the anticipation of a worst-case scenario to understand extremes to inform infrastructure design standards. While high-end emission scenarios are considered increasingly unlikely, we acknowledge that this cannot be ruled out due to uncertainties associated with potential feedback in the climate system, including tipping points.

For transition risks, we selected three low-emission scenarios (SSP1-1.9, SSP2-2.6, SSP5-2.6) considering differences in economic and population growth, resource demand and global trade. In this assessment, we focused on the influence of key value chain jurisdictions, namely the European Union, the US and China. The three low-emission scenarios represent divergent economic narratives to a common global decarbonisation path, one of which is consistent with the most ambitious global temperature goal set out in the Australian *Climate Change Act 2022*. Considering multiple scenarios is important in transition planning, as these require us to evaluate a variety of socio-economic challenges associated with mitigation and adaptation actions. Moving beyond an orderly transition scenario assumes that companies and governments must decarbonise quickly and therefore takes into account the increased risk of sudden market and policy changes.

As we move towards Real Zero, deciding which growth options to pursue will be increasingly complex due to varying levels of uncertainty and risk. We continue to build our knowledge on climate change scenarios and future global outlooks by engaging with multiple external information providers. These viewpoints help us understand of the pace of the global transition towards renewable energy use and potential emission reduction trajectories over time. Both fast and slow energy transitions contemplate technology development, market demands, and cost factors for products and energy.

The impacts of these scenarios will be incorporated into the strategic planning and decision-making processes across all of Fortescue's growth options in technology, energy and metals. Initial analyses will be conducted in FY25, with plans for broader integration as appropriate throughout the organisation.

METRICS

GREENHOUSE GAS EMISSIONS

Our objective for Scope 1 and 2 emissions is to eliminate the use of fossil fuels from our Australian iron ore terrestrial operations by 2030. To address Scope 3 emissions, Fortescue has set a target of net zero Scope 3 emissions by 2040.

Scope 1 emissions are direct emissions from sources owned or controlled by an entity. Scope 2 refers to emissions associated with the production of electricity, heat, or steam purchased by an entity. Scope 3 refers to all other indirect emissions associated with activities or facilities not owned or controlled by the entity.

In Australia, Fortescue has a mandatory obligation to report Scope 1 and 2 emissions from its Australian operations above a certain threshold under the National Greenhouse and Energy Reporting (NGER) scheme. Established by the *NGER Act 2007*, the NGER scheme is a national framework for reporting company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.

Fortescue's FY24 emissions are calculated in accordance with the Greenhouse Gas (GHG) Protocol's Corporate Standard, the GHG Protocol's Scope 2 Guidance, Corporate Value Chain (Scope 3) Standard, and Technical Guidance for Calculating Scope 3 Emissions and in accordance with the NGER Measurement Determination 2008 for our emissions mandated under NGER legislation.

At Fortescue, we place high importance on data quality for all sustainability issues and continuously improve our systems and processes to increase quality, integrity, relevance and completeness of emissions data. We continuously seek to improve our data sourcing, focusing on the most material emissions categories.

Our approach to boundary setting and our emissions calculation is available in our FY24 Emissions Calculation Methodology document at **fortescue.com.**

SCOPE 1 GREENHOUSE GAS EMISSIONS

	FY24 emissions ($mtCO_2$-e)	FY23 emissions ($mtCO_2$-e)	FY22 emissions ($mtCO_2$-e)
Total Group Scope 1	2.36	2.20	2.21

Our most significant Scope 1 emissions include those from our Australian iron ore operations and Fortescue marine vessels, which consist of eight very large ore carriers and nine tugboats that operate under Fortescue's operational control in Port Hedland.

The increase in emissions is driven by increased consumption of gas to meet the power demand of our Iron Bridge facility. For information on our strategy to reduce these emissions please refer to the Decarbonising our Iron Ore Operations section. As mentioned in our Climate Transition Plan, the introduction of Iron Bridge ores in our product offering will enable up to two to three per cent reduction in our Scope 3 emissions intensity by FY30.

SCOPE 2 GREENHOUSE GAS EMISSIONS

Fortescue adopts dual reporting for its Scope 2 emissions: market-based method and location-based method.

	FY24 emissions ($mtCO_2$-e)	FY23 emissions ($mtCO_2$-e)	FY22 emissions ($mtCO_2$-e)
Total Group Scope 2 - location based	0.37	0.35	0.33
Total Group Scope 2 - market based (reported for whole Group in FY24, and for Australia only in FY23 and FY22)	0.50	0.54	0.43

Increases in Scope 2 location-based emissions in FY24 is largely attributed to the increased electricity consumption at the Iron Bridge concentrate handling facility as a result of increases in production.

Decreases of our Scope 2 market-based emissions in Australia in FY24 is driven by the decrease in the national residual mix factor.

PROGRESS AGAINST OUR SCOPE 1 AND 2 ABSOLUTE TARGET

Emissions covered by our Real Zero target represent 87 per cent of our FY22 Group Scope 1 and 2 emissions (our base year). Annual progress against this target is present in the table below:

	FY24 emissions ($mtCO_2$-e)	FY23 emissions ($mtCO_2$-e)	FY22 emissions ($mtCO_2$-e)
Metals Australian Terrestrial Scope 1 emissions	2.02	1.91	1.88
Metals Australian Terrestrial Scope 2 emissions (location-based)	0.36	0.35	0.33
Metals Australian Terrestrial Scope 1 and 2 emissions (location-based)	2.38	2.26	2.21

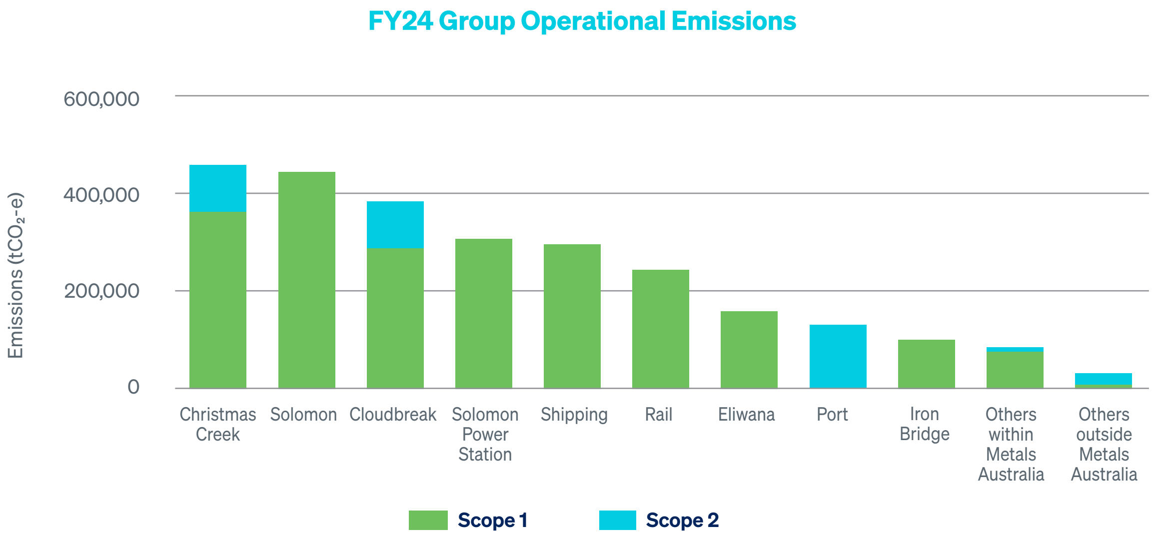
Energy efficiency initiatives helped limit the increase in these emissions in FY24 to 5.4 per cent. This reflects a reduction of approximately 10 per cent against Fortescue's budgeted emissions for the year.

SCOPE 1 AND 2 PHYSICAL INTENSITY

Emissions intensity refers to the amount of greenhouse gases emitted per unit of output. This provides insight into the energy and emission efficiencies of each tonnes of iron ore produced and shipped.

	Unit	FY24	FY23
Iron ore shipped	wmt	191.6	192.0
Group Scope 1 and 2 emissions (location-based)	$mtCO_2$-e	2.72	2.55
Group Scope 1 and 2 location-based emissions intensity	tCO_2-e/wmt of ore shipped	0.014	0.013

The 6.9 per cent increase in Scope 1 and 2 emissions combined with a 0.2 per cent decrease in ore produced, resulted in a 7.2 per cent increase in emissions intensity in FY24. This is driven by increased consumption from facilities that are still powered by fossil fuels. For information on our strategy to reduce these emissions please refer to the Decarbonising our Iron Ore Operations section.



SCOPE 3 GREENHOUSE GAS EMISSIONS

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

Group Scope 3 Category	Year on year variance	FY24 emissions ($mtCO_2$-e)	FY23 emissions ($mtCO_2$-e)
Category 1: Purchased goods and services	12.6%	2.82	2.50
Category 2: Capital goods	5.1%	0.13	0.12
Category 3: Fuel- and energy-related	22.7%	0.61	0.50
Category 4: Upstream transport	20.1%	2.99	2.49
Category 5: Waste	—	0.01	—
Category 6: Business travel	1.7%	0.03	0.03
Category 7: Employee commuting	(10.9)%	0.03	0.03
Category 8: Upstream leased assets	17.4%	0.13	0.11
Category 9: Downstream transport	9.2%	0.40	0.37
Category 10: Processing of sold products	0.3%	262.16	261.46
Category 11: Use of sold products	—	—	—
Category 12: End of life treatment of sold products	—	—	—
Category 13: Downstream leased assets	0%	0.002	—
Category 14: Franchises	0%	0	0
Category 15: Investments	—	—	—
Total Group Scope 3 emissions	0.6%	269.31	267.61

A dash (-) indicates where data is not reported.

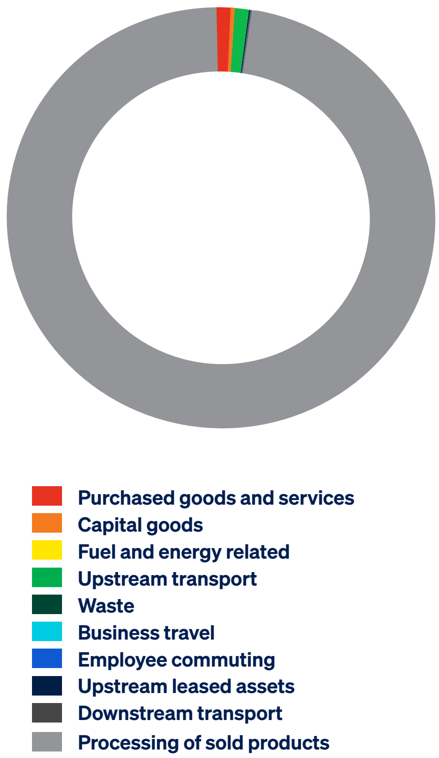
At 269.31mtCO$_2$-e, our Scope 3 emissions in FY24 were 0.6 per cent higher than in FY23, primarily driven by increases in steelmaking and shipping emissions.

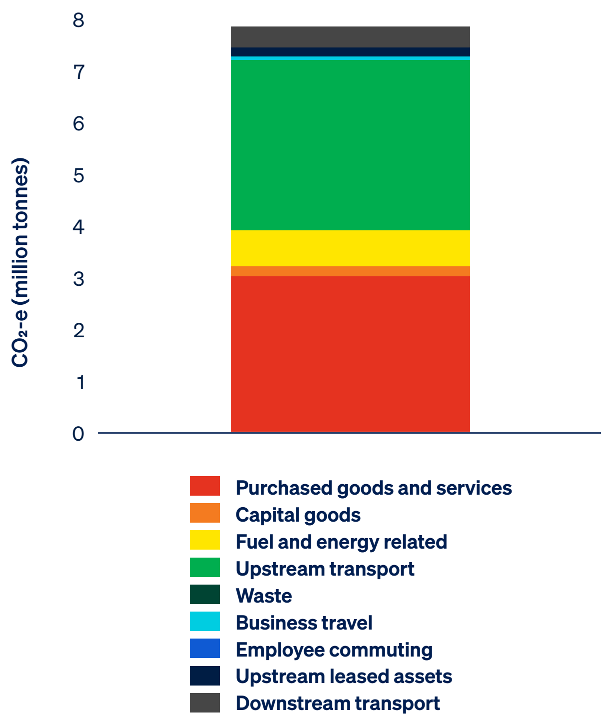
Steelmaking accounted for 97 per cent of our Scope 3 emissions in FY24. Our overall volume of iron ore shipped remained stable at 191.6Mt. Changes to product mix and customer base led to a 0.3 per cent increase in processing of sold products (Scope 3 category 10).

The 18.7 per cent increase in combined Scope 3 categories 4 and 9 emissions was driven by the update of emissions factors in the Global Logistics Emissions Council Framework v3.0 and reflects an accounting-driven variance. Emissions for FY23 and earlier have not been re-assessed or restated this year, although this is planned to ensure that we are accurately monitoring progress against a like-for-like baseline.

Detailed information on methodology can be found in the FY24 Emissions Calculation Methodology located on our website at **fortescue.com**.

Group Scope 3 Emissions





PROGRESS AGAINST OUR SHIPPING AND STEELMAKING INTENSITY TARGETS

Fortescue has set shipping and steelmaking physical intensity emission targets. Annual progress against these targets is present in the table below:

	Unit	FY24	FY23	FY22	FY21 baseline
Iron ore shipped	wmt	191.6	192.0	188.7	185.9
Total Shipping emissions (combined Scope 1 and 3 emissions related to shipping)	$mtCO_2$-e	3.62	3.04	3.47	3.28
Shipping emissions intensity	tCO_2-e/ wmt of ore shipped	0.019	0.016	0.018	0.018
Scope 3 Steelmaking emissions	$mtCO_2$-e	262.16	261.46	250.37	242.83
Scope 3 Steelmaking emissions intensity	tCO_2-e/ wmt of ore shipped	1.37	1.36	1.33	1.31

Note that FY24 shipping emissions are not comparable to those of previous years due to the change in emissions factors as mentioned previously.

CLIMATE-RELATED EXECUTIVE REMUNERATION

Our CEOs, executives and other senior leaders participate in the Executive and Senior Staff Incentive Plan (ESSIP) and Long-Term Incentive Plan (LTIP). All other eligible employees participate in the short-term Staff Incentive Plan (SIP).

Targets related to emission reductions have existed in the LTIP since FY21. Following a review at the end of FY23, changes were made by the Remuneration and People Committee for FY24 to incorporate into all short-term incentive plans to continue to drive the link between variable remuneration and our Decarbonisation Program for all employees across our business.

In FY24, Decarbonisation related KPIs sit in both the Metals and Energy scorecards and make up 10 to 20 per cent of the overall short-term incentive opportunity. Targets include the delivery of FY24 milestones against the integrated decarbonisation schedule and budget, and a reduction in emissions. The scorecard for the Energy business also has an additional 30 per cent related to the development and commercialisation of projects and products that support decarbonisation more broadly. Fortescue's on-foot LTIP includes a number of strategic measures that support climate related action, including the development of Fortescue's green fleet and stationary power infrastructure, green metal, and growth of the Energy business. These targets typically account for approximately one-third of the total strategic measures component of the LTIP.

Details of the remuneration policies for all employees and the remuneration paid to directors (executive and non-executive) and executives are set out in the Remuneration Report.

CARBON CREDITS

In 2023, Fortescue ceased purchasing voluntary carbon offsets for Scope 1 and 2 emissions, instead focusing our efforts on the elimination of emissions. Carbon offsets against Scope 1 and 2 emissions are purchased and relinquished only to the extent required by legislation. Our participation in compliance markets is therefore limited to purchases required only to the extent of law, tapering in line with facility-level decarbonisation plans. Accordingly, we note that:

1. Australian Carbon Credit Units (ACCUs) are used to meet regulatory requirements under the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (SGM) requirements.
2. In FY24 Fortescue is expected to be in excess of SGM baselines by approximately 120,000tCO_2-e, requiring an equivalent number of ACCUs to be acquired and surrendered to the Australian Government.
3. Fortescue is investigating using methods available under the SGM, including multi-year monitoring periods, to reduce the number of ACCUs required at facilities with advanced decarbonisation plans.
4. The ACCUs that Fortescue is required to acquit FY24 SGM exceedances are produced by third parties under the Australian Government's approved methodologies, and acquired through a third party broker. The underlying carbon credits are from nature-based carbon removal projects.

CAPITAL EXPENDITURE, FINANCING AND INVESTMENT

CAPITAL INVESTMENT ALLOCATION

In September 2022, Fortescue's Board approved capital expenditure of US$6.2 billion for decarbonisation of our iron ore operations by 2030. Aligned with our approach to decarbonisation, we have allocated the investment towards green energy and green mining fleet.

In FY24, the committed decarbonisation capital was US$224 million. Fortescue's forecast capital expenditure guidance for decarbonisation in FY25 is US$700 - US$900 million. The estimated capital required to complete our decarbonisation program is updated as our studies and engineering design work progresses, as new information is received from the market and as our projects progress. Updates are reported up to our Decarbonisation Steering Committee and our Board, and the decarbonisation capital requirements are considered in the context of the Group's capital allocation framework and funding strategy.

Each separable project which forms part of the overall decarbonisation program will be taken to the Board for Final Investment Decision to approve capital for that project. As we determine the optimal technical solutions to eliminate the last approximately 10 per cent of emissions, the incremental capital and operating costs over and above our 'business as usual' expectations will be outlined to our Decarbonisation Steering Committee before a decision is made on the preferred solution.

As we mature our understanding of the financial impact of climate-related risks and opportunities, we are also developing systems and processes to track all climate-related spending. When combining our decarbonisation expenditure with our broader ambition towards a greener energy future, we have invested more than 11 per cent of our total FY24 spend (including capital and operating expenditure on our Decarbonisation, Energy and Green Metal projects).

SUSTAINABILITY FINANCING FRAMEWORK

Fortescue remains committed to sustainability in all aspects of our business. Part of our capital structure is our Sustainability Financing Framework, which enables the issuance of Green Bonds or Loans.

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

This Framework was used in our inaugural Green Bond in April 2022 for US$800 million. Allocation reporting is provided in the Operating and Financial Review section of this report.

EXPOSURE TO CLIMATE-RELATED RISKS

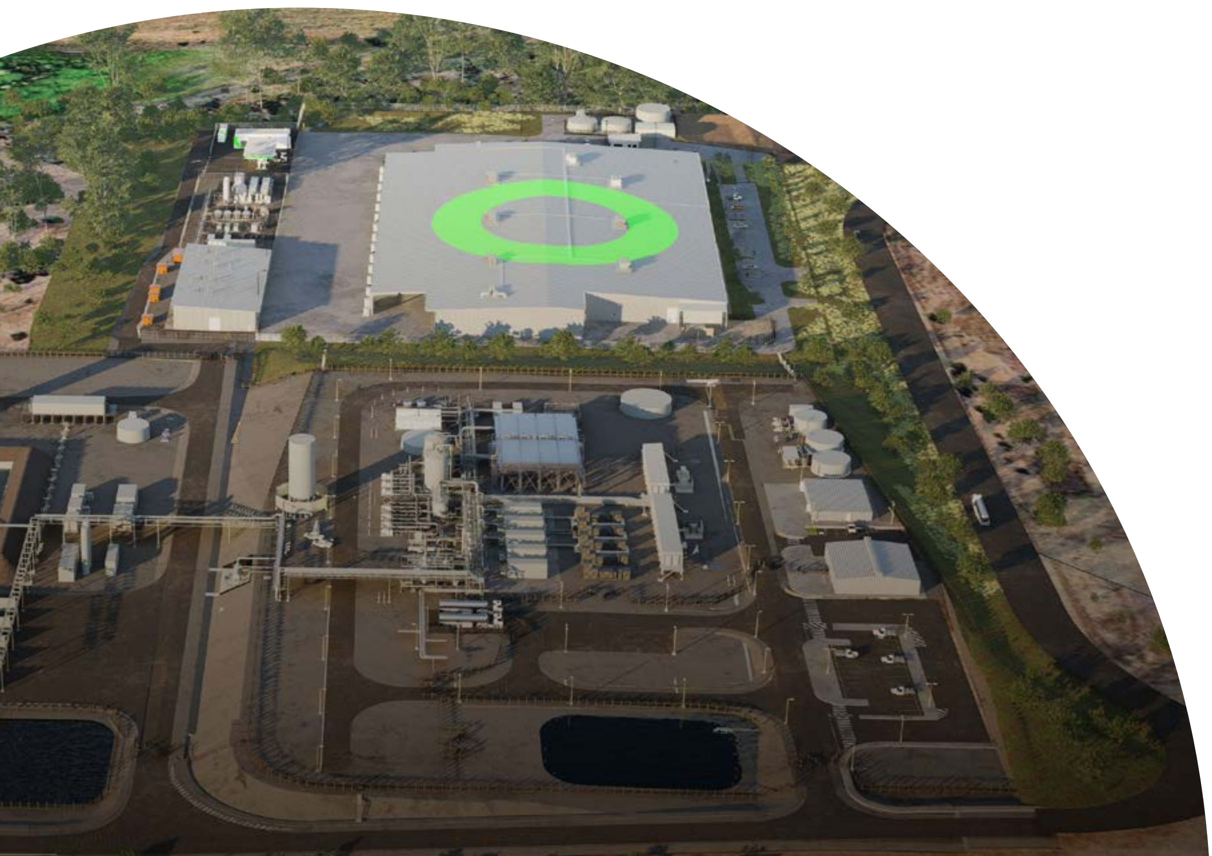
PHYSICAL RISK EXPOSURE

As part of our commitment to enhance the resilience of our assets and to mitigate climate-related risks, we have partnered with our insurance partners to better understand our climate-related hazard exposure of our critical assets in Australia. Asset vulnerability to extreme climate events such as flood, wind and fire was considered combined with site-specific factors such as construction design, location of the asset and risk mitigation actions. By leveraging our insurance partner's expertise in risk management and insurance, we aim to develop targeted strategies to protect our infrastructure and ensure operational continuity. At the time of this report, 11 designated sites have been assessed, including our operating mines in the Pilbara, together with Perth Head Office, Gladstone GEM Centre, Herb Elliott Port and associated Port Hedland facilities. Combined, this represents a total area of 38,920 ha, of which 71 per cent (27,514 ha) was assessed as being exposed to one or more peril.

EXPOSURE TO RISK OF STRANDED ASSETS BY 2030

There is ongoing work to consider the financial implications arising from climate-related risks related to changes in the useful life of assets, residual values and changes in the fair valuation of assets as a result of our energy transition. We can reasonably expect that finalising this work will result in an impact on:

- financial estimates and matters of judgement
- provisions for potential liabilities
- expenses.



NAVIGATIONAL INDEX

This navigational index references the location of TCFD-aligned disclosures.

TCFD RECOMMENDATION	DISCLOSURE	LOCATION
Governance – Disclose the organisation's governance around climate change-related risks and opportunities.		
a) Describe the board's oversight of climate-related risks and opportunities.	Governance	Pages 88-89
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Governance	Pages 90-92
Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Climate-related Risks	Pages 80-87
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Our Strategy	Pages 70-79
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Resilience	Page 93
Risk management - Disclose how the organisation identifies, assesses, and manages climate-related risks.		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Managing Risk	Pages 90-92
b) Describe the organisation's processes for managing climate-related risks.	Managing Risk	Pages 90-92
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Managing Risk	Pages 90-92
Metrics and targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics	Pages 94-100
b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Metrics	Pages 94-97
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our Targets	Pages 68-69

DIRECTORS' REPORT

DIRECTORS' REPORT

AT 30 JUNE 2024

Directors

The Directors of Fortescue in office during the year and until the date of this report, their qualifications, experience and directorships held in listed companies at any time during the last three years, are set out on pages 10 to 16.

The Directors' meetings, including meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024 and the number of meetings attended by each Director are shown in section 2.3 of the Corporate Governance Statement[1].

The relevant interests of each Director in the shares and share rights issued by Fortescue as notified by the Directors to the Australian Securities Exchange in accordance with section 5205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

Director	Ordinary shares	Share rights
Dr Andrew Forrest AO	1,131,365,000	–
Mark Barnaba AM CitWA	40,300	–
Elizabeth Gaines	341,294	51,464
Lord Sebastian Coe CH, KBE	10,000	–
Penny Bingham-Hall	62,357	–
Dr Jean Baderschneider	138,000	–
Yifei Li	–	–
Dr Larry Marshall (appointed 28 August 2023)	2,000	–
Usha Rao-Monari (appointed 24 January 2024)	–	–
Noel Pearson (appointed 1 August 2024)	–	–

[1]FY24 Corporate Governance Statement is available on Fortescue's website at **fortescue.com**

The remuneration of Directors and Key Management Personnel are detailed in the Remuneration Report on pages 106 to 149.

Operating and financial review

Fortescue's principal activities during the year were exploration, development, production, processing and sale of iron ore, and the transition to become a highly profitable green technology, energy and metals company, with a laser focus on being a Real Zero company.

The overview of Fortescue's operations, including a discussion of strategic priorities and outlook, key aspects of operating and financial performance and key business risks are contained in the following sections of the Annual Report: Overview on pages 2 to 26, Operating and Financial Review on pages 27 to 43 and Corporate Governance Statement[1] section 4 Risk Management.

[1]FY24 Corporate Governance Statement is available on Fortescue's website at **fortescue.com**

DIRECTORS' REPORT

At 30 June 2024

DIVIDENDS

	2024
Profit	**US$m**
Underlying net profit after tax	5,664
Underlying net profit after tax attributable to equity holders	5,683
Declared and paid during the year:	**A$ cents**
Final ordinary dividend for the year ended 30 June 2023 – paid in September 2023	100
Interim ordinary dividend for the year ended 30 June 2024 – paid in March 2024	108
Total – declared and paid during the year	208
Declared since the end of the financial year:	
Final ordinary dividend for the year ended 30 June 2024 – to be paid in September 2024	89

Environmental regulation and compliance

Fortescue is committed to minimising the environmental impacts of its operations, with an appropriate focus placed on continuous monitoring of environmental matters and compliance with environmental regulations.

The details of Fortescue's environmental performance are presented in Fortescue's FY24 Sustainability Report[2] and compliance with Fortescue's conditions of approval under environmental legislation is reported to the relevant regulators in line with the requirements of each Act.

Greenhouse gas emissions and energy

Fortescue complies with the Australian Government's *National Greenhouse and Energy Reporting Act 2007* (Cth) and recognises its responsibility to actively improve energy use and minimise greenhouse gas emissions to reduce its contribution to climate change and impact on the environment.

The details of greenhouse gas emissions and energy strategy, compliance and reporting are presented in Fortescue's FY24 Climate Change Report on pages 65 to 101 of this report.

Shares under option

As at the date of this report, there were no unissued ordinary shares under options, nor were there any ordinary shares issued during the year ended 30 June 2024 as a result of the exercise of options.

Company Secretary

Assistant Company Secretary Navdeep (Mona) Gill was appointed as Company Secretary of Fortescue on 17 July 2024, replacing Cameron Wilson who retired effective 30 June 2024 and Phil McKeiver who held the role previously from 29 November 2023. Details of Mona Gill's qualifications and experience are set out on page 16 of this report.

Directors' and Officers' indemnities and insurance

Fortescue has paid premiums to insure the Directors and Officers of Fortescue.

The liabilities insured are legal costs that may be incurred in defending civil proceedings that may be brought against the Officers in their capacity as Officers of Fortescue, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to Fortescue.

It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. Conditions of the policy also preclude disclosure to third parties of the amount paid for the policy.

[2]FY24 Sustainability Report is available on Fortescue's website at **fortescue.com**

Non-audit services

Fortescue may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor has relevant expertise and experience and where the auditor's independence is not compromised.

Details of the amounts paid or payable to the auditor PricewaterhouseCoopers Australia and related entities for audit and non-audit services provided during the year are set out in note 19 to the financial statements.

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Finance and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit, Finance and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 218 and forms part of this report.

Future developments

The Overview section set out on pages 2 to 26 and the Operating and Financial Review section set out on pages 27 to 43 of this Annual Report, provide an indication of the Group's likely developments and expected results. In the opinion of the Directors, disclosure of any further information about these matters and the impact on Fortescue's operations could result in unreasonable prejudice to the Group and has not been included in this report.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of Fortescue, other than those disclosed in this report.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Fortescue, or to intervene in any proceedings to which Fortescue is a party, for the purposes of taking responsibility on behalf of Fortescue for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

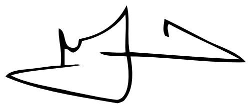
Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Financial report. Amounts in the Financial report have been rounded off in accordance with that instrument to the nearest million dollars, unless otherwise stated.

Events occurring after the reporting period

On 28 August 2024, the Directors declared a final dividend of 89 Australian cents per ordinary share payable in September 2024.

This report has been made in accordance with a resolution of the Directors.



Dr Andrew Forrest AO
Executive Chairman
Dated in Perth this 28th day of August 2024.

REMUNERATION REPORT

FROM THE PEOPLE, REMUNERATION AND NOMINATION COMMITTEE CHAIR

Dear Shareholders,

On behalf of the Directors of Fortescue, I am pleased to present the Remuneration Report (the Report) for Fortescue for the year ended 30 June 2024 (FY24).

FY24 FORTESCUE PERFORMANCE

FY24 was another year of strong operational and financial performance for Fortescue, while maintaining our unwavering focus on safety. Significant milestones were achieved across both Metals and Energy, aligned with delivering on our vision and strategy.

Our group wide safety performance continued to improve, with Metals achieving its lowest ever Total Recordable Injury Frequency Rate (TRIFR), far exceeding the stretch target set by the business.

Fortescue's strong operating performance and capital and cost discipline contributed to outstanding financial results in FY24. Our net profit after tax of US$5.7 billion represented the third highest earnings in Fortescue's history. At the same time, our balance sheet remains strong, meaning we are well positioned to continue to invest in growth opportunities.

Iron ore shipments achieved the second highest volume in our Company's history which was an outstanding effort given the challenges the team had to overcome, including an ore car derailment and significant weather disruptions. We responded to the challenges and implemented a recovery plan which led to record shipments in the June quarter. This was a real demonstration of our Values in action and meant that Fortescue was still able to exceed its stretch target for hematite shipments, resulting in a partial achievement of our production targets. Fortescue's continued drive for efficiency and productivity contributed to strong cost management and resulted in partial achievement of Fortescue's stretch target for hematite C1 cost.

Our new Iron Bridge mine transitioned to operational production and achieved its first shipment of high grade magnetite concentrate in early FY24. Commissioning activities progressed with expenditure targets achieved and continued focus on a safe and efficient ramp up. However C1 Cost and production targets were not achieved.

Good progress was made towards our decarbonisation targets with the commissioning of three electric excavators across our sites, the development of battery electric and hydrogen fuel cell haul truck prototypes, and the construction of a 100MW solar farm. Efforts to increase energy efficiency across our sites resulted in a 10 per cent reduction from our forecast CO_2 emissions in FY24. This saw us exceed our FY24 stretch targets for decarbonisation.

Our Energy business took the first green energy projects to Final Investment Decision and turned soil on our Arizona Hydrogen project in the United States. Work commenced on our Gladstone PEM50 project in Queensland – a green hydrogen project utilising Fortescue's own electrolyser technology. The Fortescue Board has also agreed to fast-track two more projects, with Holmaneset in Norway and Pecém in Brazil progressing to feasibility phase.

Through Fortescue Zero, we are creating the solutions required to drive a zero emissions future by developing a range of technologies that can be used across a variety of applications and industries. Sales contracts were executed with new and existing customers for battery packs, battery management systems and battery intelligence software. Fortescue Zero also saw the first sales contracts for electrolysers signed, shortly after we opened our Gladstone Electrolyser Manufacturing Centre.

Fortescue is committed to diversity and inclusion in the workplace, with steady growth achieved in both female and First Nations Australians participation. Diversity targets were partially achieved across both Metals and Energy. Whilst overall voluntary employee turnover remains low at approximately eight per cent, we had a higher level of executive turnover and employee engagement targets were not achieved in FY24. Diversity, inclusion and engagement remain a key priority for the Board in FY25.

KEY MANAGEMENT PERSONNEL (KMP) CHANGES

In FY24 our management team has come together as 'One Fortescue'. This has seen further evolution of the operating model and some changes to senior leadership to ensure operations are streamlined and our values driven culture is fostered across the business.

In August 2023, we announced the appointment of Dino Otranto to the role of Chief Executive Officer (CEO), Fortescue Metals. Mr Otranto joined Fortescue in 2021 as Chief Operating Officer, Iron Ore and quickly established himself as an integral member of the Fortescue family. Dino's appointment reflects our commitment to developing and promoting internal talent. His role sits alongside Mark Hutchinson as CEO, Fortescue Energy, with both reporting directly to the Board.

In October 2023, Shelley Robertson joined Fortescue in the role of Chief Corporate Officer (CCO). She has a significant portfolio which brings together a number of core business functions that sit across both the Metals and Energy businesses. In July 2024 we announced that Ms Robertson had been appointed to the role of Chief Operating Officer.

As the One Fortescue approach continues to evolve, we have reestablished a Group Chief Financial Officer (CFO) role which is responsible for both the Metals and Energy businesses. Apple Paget was initially appointed to this role on an acting basis, and in July 2024 we were pleased to announce her appointment to this role on a permanent basis.

During the year we appointed two new independent non executive directors to the Board. Dr Larry Marshall, former CEO of CSIRO, is a technology innovator, business leader, published author and a Male Champion of Change with a wealth of experience in creating new value and impact through innovation. Usha Rao-Monari is an experienced international executive and director with finance, infrastructure investment and environmental expertise, especially in the area of water.

In August 2024 we announced the appointment of Noel Pearson to the Fortescue Board as a non executive director. Mr Pearson is a prominent Australian indigenous leader, social advocate and lawyer.

FY24 REMUNERATION FRAMEWORK AND OUTCOMES

Fortescue's remuneration framework is designed to be competitive in attracting and retaining the best talent, while also aligning with shareholder expectations by setting challenging stretch targets and rewarding for performance.

When assessing outcomes, the Board maintains a holistic view of performance. Consideration is given to what the Board determines to be a fair outcome in the circumstances, taking account of what was delivered by executives, how it was delivered in alignment with Fortescue's Values, and the experience and expectations of shareholders.

A summary of performance and the link to remuneration outcomes is set out below.

FY24 Fixed remuneration changes

Fortescue positions fixed remuneration for executives with reference to the median of S&P/ASX50 Index and ASX-listed resources peer groups.

On taking up the role of Chief Executive Officer, Fortescue Metals, Mr Otranto's total fixed remuneration (TFR) was set at A$1,400,000. This was subsequently reviewed and increased to A$1,750,000 with effect from January 2024 based on market benchmarking and the Board's assessment of his performance in the role.

Ms Robertson's total fixed remuneration on appointment was set at A$725,000 with reference to external benchmarks. Ms Paget has been provided with a higher duties allowance with her total fixed remuneration set at A$840,000 to recognise the additional responsibilities associated with taking on the Group Chief Financial Officer role in an acting capacity.

In line with other executives, a four per cent increase was applied to CEO, Fortescue Energy Mr Hutchinson's TFR effective 1 July 2023 bringing his TFR to A$2,080,000.

Further detail regarding these changes is outlined in section 5.

FY24 Executive and Senior Staff Incentive Plan (ESSIP) outcomes

The Board set stretch targets for the FY24 ESSIP to drive outperformance in business operations and financial performance, aimed at maximising shareholder value.

FY24 ESSIP performance conditions included operational production, cost and decarbonisation targets, delivery of projects and products, people and culture measures, and individual Key Performance Indicators. Overall, the FY24 ESSIP outcomes for the CEOs and other KMP ranged from 50 per cent to 79 per cent of target.

Section 5 of the Report provides further detail regarding the targets and their achievement.

FY22 Long Term Incentive Plan (LTIP) outcomes

Vesting of the FY22 LTIP is assessed over a three year performance period from 1 July 2021 to 30 June 2024. FY22 was the first year in which we assessed outcomes based on separate scorecards for our Metals and Energy businesses.

The Metals scorecard consisted of Return on Equity (ROE), relative Total Shareholder Return (TSR), and Strategic Measures aligned with the Company's long-term objectives. Performance conditions were tested and vested at 81.3 per cent based on TSR and ROE performance and progress against strategic measures that are critical to our future success.

The Energy scorecard consisted of Total Shareholder Return (TSR), an independent valuation metric, and Strategic Measures aligned with the Company's long-term objectives. The performance conditions were tested and vested at 30 per cent.

FY24 LTIP scorecard

To further support the evolution of the One Fortescue operating model, and to simplify and align all executives to a single long term vision, the LTIP has transitioned from separate scorecards for our Metals and Energy businesses to one single Fortescue scorecard for FY24 onwards. Further information relating to the FY24 LTIP is set out in section 6.

RESPONSE TO FIRST STRIKE AND FY25 REMUNERATION CHANGES

Following the first strike that Fortescue received against the FY23 Remuneration Report at its Annual General Meeting (AGM), the Board has listened to this feedback and has been proactively engaging with proxy advisors and investors to address the key areas of concern.

A detailed response to the feedback is outlined in section 3 of this report, but in summary, the following changes to our remuneration framework will be, or have already been, implemented:

- whilst the Board retains its ability to apply discretion to incentive outcomes, it will not make discretionary payments that do not clearly align with shareholder interests, noting that no special recognition awards were made in FY24
- introduction of a mandatory ESSIP deferral for KMP of 50 per cent across two years from the FY25 ESSIP grant onwards
- increased weighting to relative TSR and reduced weighting to Strategic Measures for the LTIP
- improved disclosure of Strategic Measures for all on-foot LTIP grants (FY22, FY23 and FY24) and
- shareholder approval for participation of the CEOs in the Performance Rights Plan at the 2024 AGM.

The evolution of our One Fortescue approach will remain a priority for all leaders across Fortescue in FY25. A key element of this will be ensuring we create the right environment so that all our people can thrive and achieve true collaboration, innovation and success. To support this, we will have one consolidated ESSIP scorecard across Metals and Energy in FY25.

The Board is committed to actively engaging with shareholders to understand concerns and effectively communicating Fortescue's remuneration and governance framework.

I invite you to read our Report and trust you will find that it outlines the links between our strategy, culture, performance and remuneration outcomes.

On behalf of the directors, we look forward to welcoming you and receiving your feedback at our 2024 AGM.

Yours sincerely,

Penny Bingham Hall

People, Remuneration and Nomination Committee Chair

1. INTRODUCTION AND FY24 KEY MANAGEMENT PERSONNEL

THIS REPORT OUTLINES THE REMUNERATION ARRANGEMENTS FOR FORTESCUE'S KEY MANAGEMENT PERSONNEL (KMP)

KMP are defined as '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'. Within this Remuneration Report reference to executives includes executive directors and other KMP.

The information provided in this Remuneration Report has been prepared in accordance with requirements under the *Corporations Act 2001* and Australian Accounting Standards. This report forms part of the Directors' Report and unless otherwise indicated the following sections have been audited in accordance with section 308 (3c) of the *Corporations Act 2001*. Certain non-IFRS financial information, including C1 cost, underlying EBITDA, underlying Return on Equity, sustaining capital expenditure and TSR, is presented throughout this report and where included has not been subject to audit.

All executives are paid in Australian dollars. The value of remuneration is presented in US dollars in line with the rest of the Annual Report. To assist with readability, remuneration values are also presented in Australian dollars, with the conversion rate used clearly disclosed.

THE KMP OF THE GROUP FOR FY24 WERE:

Name	Position	Time as KMP
Non-Executive Directors		
Mark Barnaba AM	Deputy Chair and Lead Independent Director[1]	Full year
Dr Jean Baderschneider	Non-Executive Director	Full year
Penny Bingham-Hall	Non-Executive Director	Full year
Lord Sebastian Coe CH, KBE	Non-Executive Director	Full year
Yifei Li	Non-Executive Director	Full year
Dr Larry Marshall	Non-Executive Director	Part year from 29 August 2023
Usha Rao-Monari	Non-Executive Director	Part year from 24 January 2024
Executive Directors		
Dr Andrew Forrest AO	Executive Chairman	Full year
Elizabeth Gaines	Executive Director and Global Ambassador	Full year
Other Key Management Personnel (Executives)		
Dino Otranto	Fortescue Metals Chief Executive Officer[2]	Full year
Mark Hutchinson	Fortescue Energy Chief Executive Officer	Full year
Apple Paget	Acting Group Chief Financial Officer[3]	Part year from 1 September 2023
Shelley Robertson	Chief Corporate Officer[4]	Part year from 1 October 2023
Fiona Hick	Fortescue Metals Chief Executive Officer[5]	Part year to 28 August 2023
Christine Morris	Fortescue Metals Chief Financial Officer	Part year to 31 August 2023

[1] Dr Larry Marshall will be appointed as Lead Independent Director, effective from the Company's AGM. Mark Barnaba will continue as Non-Executive Director and Deputy Chair.

[2] Dino Otranto was appointed as Fortescue Metals CEO on 28 August 2023. Prior to this, Dino served as Chief Operating Officer Iron Ore, a role which is also considered KMP.

[3] Apple Paget was appointed to the role of Fortescue Metals CFO on an acting basis from 1 September 2023. Apple was subsequently appointed to the role of Group CFO on an acting basis with effect from 21 February 2024. In July 2024, Apple was appointed to the Group CFO role on a permanent basis.

[4] In July 2024 it was announced that Shelley Robertson had been appointed as Chief Operating Officer.

[5] Fiona Hick resigned as Fortescue Metals CEO with her last day of employment being 28 February 2024. Ms Hick remained employed by the company during her six month notice period.

In early FY24, Fortescue implemented a Group CFO model moving away from separate CFOs for the Metals and Energy business units. As a result, Deborah Caudle was deemed to not have acted as KMP during FY24.

In August 2024 it was announced that Noel Pearson had been appointed to the Fortescue Board as a non-executive director.

There have been no other changes to KMP after the reporting date.

2. REMUNERATION SNAPSHOT

REMUNERATION STRATEGY PRINCIPLES

OUR VALUES DRIVE OUR REWARD STRATEGY, WHICH SEEKS TO:

Build a high performance oriented culture that supports the achievement of our strategic vision

Attract, retain, and motivate employees by providing market competitive fixed remuneration and incentives

Drive the right culture and encourage high levels of share ownership

Ensure the alignment of employee and shareholder interests.

Market competitive remuneration

Attract and retain key talent with remuneration competitive against relevant comparable companies.

Performance and outperformance focus

Provide fair reward in line with individual and company achievements.

Fit for purpose

Include flexibility to reflect clear linkage to business strategy and the cyclical nature of the industry without constraint by market practice.

Strategic alignment

Support delivery of long-term business strategy and growth aspirations.

Shareholder and executive alignment

Reward sustained performance and deliver awards aligned with shareholder returns.

OUR VALUES

FAMILY

EMPOWERMENT

FRUGALITY

STRETCH TARGETS

INTEGRITY

ENTHUSIASM

SAFETY

COURAGE AND DETERMINATION

GENERATING IDEAS

HUMILITY

FY24 REMUNERATION FRAMEWORK

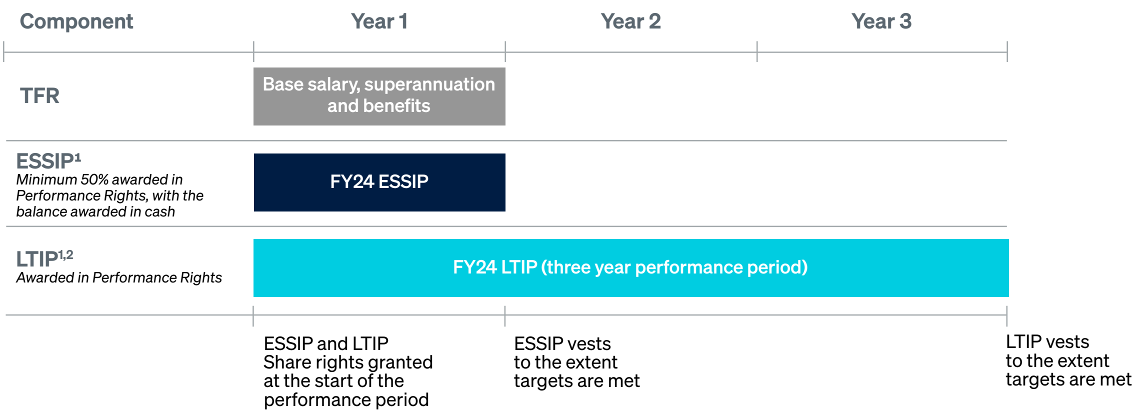
OUR REMUNERATION FRAMEWORK IS DESIGNED TO SUPPORT FORTESCUE'S VALUES AND TO BRING TO LIFE OUR REMUNERATION STRATEGY

	Fixed component	Variable / At risk	
	Total Fixed Remuneration (TFR)	**Executive and Senior Staff Incentive Plan (ESSIP)**	**Long Term Incentive Plan (LTIP)**
Purpose	Market competitive remuneration to attract and retain executives. Comprises base salary, superannuation and salary sacrifice benefits	Annual variable incentive opportunity that provides awards against short-term stretch objectives	Long-term incentive opportunity focused on growth strategy, long-term priorities and alignment with shareholder value creation over a three year performance period
Link to Values and remuneration strategy	Supports the execution of business strategy based on role, qualifications, experience, accountability and responsibility	• A minimum of 50% is granted as share rights at the start of the financial year to create immediate shareholder alignment • Participants can elect to receive up to 100% of the award in share rights • Performance is assessed against a balanced scorecard • Targets set at stretch levels to promote outperformance	• Share rights are granted at the start of the performance period with value realised at time of vesting • Vesting is subject to achievement of stretch performance targets under multiple measures • Share rights are exposed to movement in share price over the three years ensuring strong correlation with shareholder returns • A Maximum Value Limit of 50% of share price growth from the grant price applies at vesting
FY24 Approach: Fortescue Metals	Benchmarked annually against comparator group at median or above for outstanding performance Comparators: ASX 25, ASX 50 and resources companies in the ASX 100	**Performance measure breakdown** **Operations (60%)** – Safety, cost, production, cashflow and revenue **People and culture (20%)** **Individual KPIs (20%)**	For FY24 a single LTIP scorecard was applied across both the Metals and Energy businesses **Performance measure breakdown** **Total Shareholder Return (33%)** **Return on Equity (33%)** **Key strategic measures (34%)**
FY24 Approach: Fortescue Energy		**Performance measure breakdown** **Business outcomes (60%)** – Safety, projects, commercialisation, cost and decarbonisation **People and culture (20%)** **Individual KPIs (20%)**	

MINIMUM SHAREHOLDING REQUIREMENT
CEO: 200% of TFR, CEO direct reports: 100% of TFR, NEDs: 100% of annual base fee

The framework visualised

The following diagram sets out the remuneration structure and the delivery timing for the CEOs and other KMP.

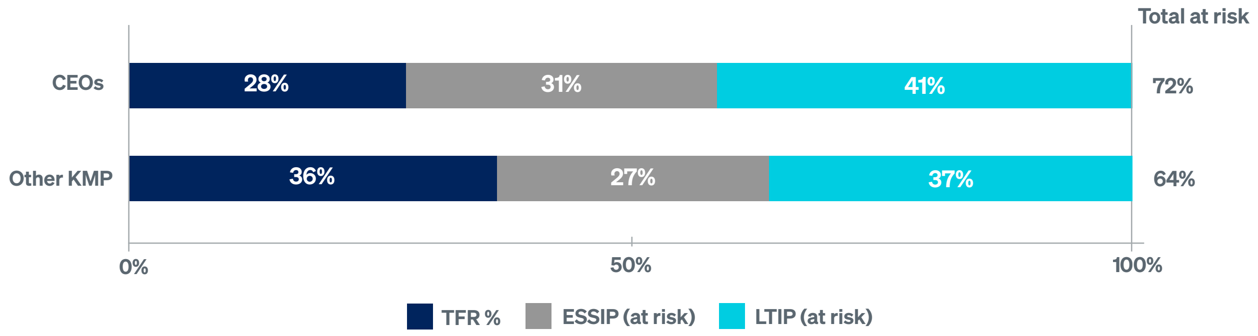


[1] All awards under the ESSIP and LTIP, both vested and unvested, are subject to malus/clawback (as relevant), Board discretion, and the Director and Executive Shareholding Policy, which includes the Minimum Shareholding Requirement.

[2] Awards under the LTIP are subject to the Maximum Value Limit.

Remuneration mix

The chart below shows the remuneration mix for superior performance where stretch targets have been met for the CEOs of Fortescue Metals and Fortescue Energy and the Chief Corporate Officer and the acting Chief Financial Officer (other KMP).



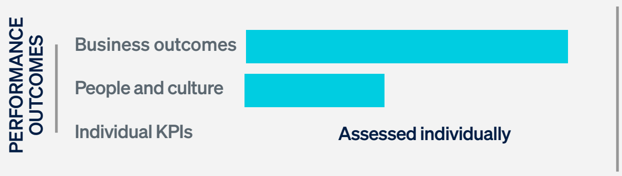
FY24 Remuneration Outcomes

FY24 ESSIP vesting outcomes – Metals

FY24 Metals ESSIP awards reflect achievement of:

- Operating and financial performance
- Consistent, strong safety performance
- Good progress against decarbonisation objectives
- Partial achievement of People & Culture objectives

FY24 ESSIP vesting outcomes – Energy



FY24 Energy ESSIP awards reflect achievement of:

- Operating and financial performance
- Partial achievement of projects to FID
- Commercialisation of Energy products to new customers
- Partial achievement of People & Culture objectives

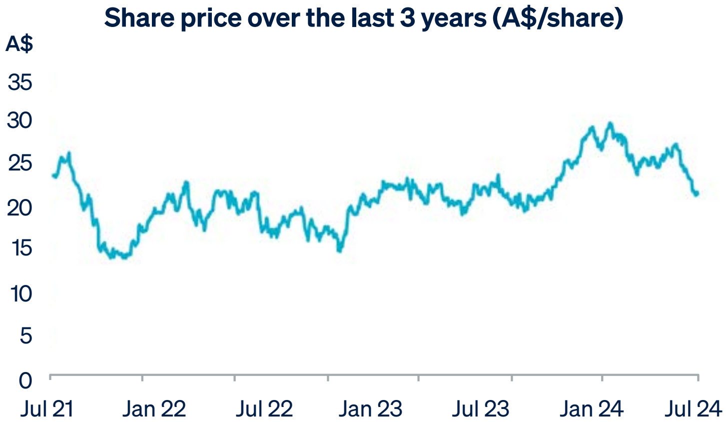
FY22 LTIP vesting outcomes – Metals

Measure	Weighting %	Result	Vesting %
TSR	33	62.5th percentile	11.3
ROE	33	34.0	46.2
Strategic measures	34	8 out of 15	23.8
Total			**81.3**

FY22 LTIP vesting outcomes – Energy

Measure	Weighting %	Result	Vesting %
TSR	33	62.5th percentile	11.3
Independent valuation	33	Not achieved	0.0
Strategic measures	34	7 out of 15	18.7
Total			**30.0**

Share price over the last 3 years (A$/share)



The Maximum Value Limit on the LTIP award means that executives may only benefit from 50 per cent growth in the share price from the initial grant value.

As the vesting price of A$22.0159 is below the grant price of A$23.576, the Maximum Value Limit is not applicable for the FY22 LTIP.

3. RESPONSE TO FIRST STRIKE

Following the first strike against the remuneration report in 2023, the table below sets out below a summary of the key concerns raised and Fortescue's response to them.

Area of feedback	Response
The use of discretionary payments	The Board has heard this feedback and whilst it retains the ability to apply discretion to incentive outcomes, it will not make discretionary payments that do not clearly align with shareholder interests.
The use of Board discretion in Short Term Incentive (STI) outcomes	For the FY23 ESSIP, the previous cliff vesting approach was replaced with a sliding scale that was used to assess outcomes between threshold and stretch levels of performance. This change improves transparency and clarity of outcomes and reduces the need for Board discretion when compared to a cliff vesting approach. Board discretion was not applied to any of the FY23 STI outcomes. Some downward discretion to KMP STI outcomes was applied in FY24.
"Doubling up" of CEO and CFO remuneration	The two CEO model is deemed the appropriate structure to deliver the Company's vision and strategy given the scale of the opportunity and the challenges to manage. The Board is comfortable that remuneration is appropriately benchmarked. As the One Fortescue model continues to mature, we have moved to a single Group CFO.
Disclosure of CEO Metals remuneration	Due to the timing of the appointment to CEO being the same day as the publishing of the Annual Report, inclusion of Dino Otranto's remuneration in the report was not possible. Full disclosure of Dino Otranto's remuneration is contained in this report.
Director fees	Mark Barnaba's remuneration will be updated in FY25 to reflect the removal of fees associated with Lead Independent Director responsibilities. Elizabeth Gaines' remuneration has been updated to reflect a reduction in time commitment as an Executive Director and Global Ambassador Fortescue. Elizabeth Gaines's annual remuneration from 1 May 2024 is A$500,000 (with no incentive opportunity or travel allowance).
Board independence given tenure of some directors	Two new independent NEDs were appointed to the Board in FY24 – Dr Larry Marshall (August 2023) and Usha Rao-Monari (January 2024). An additional independent NED, Noel Pearson, was appointed at the start of FY25 (August 2024). Dr Larry Marshall will be appointed as Lead Independent Director, effective from the Company's AGM. Mark Barnaba will continue as Non-Executive Director and Deputy Chair.
Board governance	Fortescue acknowledges that strong corporate governance is critical to the long-term, sustainable success of the Company and is the collective responsibility of the Board of Directors and all levels of management. Fortescue has a talented, diverse and international Board committed to enhancing and protecting the interests of shareholders and other key stakeholders. Board committees have recently been reviewed and re-structured to provide appropriate focus on Risk, Safety, Sustainability and our Climate Transition Plan, as well as to ensure that all committees are made up of independent NEDs. With effect from 1 July 2024, the Board committees are as follows: Audit, Finance and Risk Management People, Remuneration and Nomination Safety and Sustainability
Performance rights grant approval for CEOs was not included in the AGM	Whilst not technically required as the CEOs are not directors of the company, the practice of seeking approval for CEO performance rights grants will be re-introduced for the FY25 grant at the 2024 AGM.

Area of feedback	Response
Use and disclosure of LTI strategic objectives	Strategic objectives in the LTI drive a focus on the key projects and initiatives that deliver long-term value creation and have been specifically designed to ensure they do not overlap with the more operational-focused individual KPIs in the STI scorecard. Responding to feedback for improved disclosure, enhanced disclosure of the Strategic Measures for all 'on-foot' LTIP grants (FY22, FY23, and FY24) has been included in the Remuneration Report. Also, in response to feedback, strategic objectives will reduce to 30 per cent, and relative TSR will increase to 70 per cent to increase the link between executive reward and shareholder experience. ROE will be removed from the FY25 LTIP scorecard.
Ability to achieve stretch outcomes against individual measures in the LTI	A review of the company's remuneration framework is underway for FY25. This review will look at the remuneration mix (fixed vs variable), the measures and targets (threshold, target, stretch), and associated vesting outcomes. The vesting schedule for the FY25 LTIP will be simplified and the ability to achieve stretch against measures within the LTI will be removed (i.e. preventing one KPI outcome offsetting poor individual performance of another). The 150 per cent Maximum Value Cap which exists to prevent unintended windfall gains from rapid share price appreciation will remain a feature of the LTIP going forward.
FY23 STI outcomes appeared to be misaligned to financial performance	Fortescue met or exceeded financial and operational targets in FY23. Record iron ore shipments and strong underlying EBITDA and NPAT performance were reflected in Total Shareholder Returns of 41 per cent over the year including total dividends of A$1.75 per share. No discretion was used in assessing the outcomes of the FY23 STI.
Use of strategic objectives in STI raises concern of duplication	The STI scorecard includes Operations (weighted 60 per cent), People & Culture (weighted 20 per cent) and individual, role specific KPIs (weighted 20 per cent). This structure ensures executives are rewarded not just for what is achieved, but also how it is achieved in line with our Values of a diverse, inclusive and engaging workplace. There is no duplication between the individual KPIs in the STI and the strategic measures in the LTI.
STI rights grant at the beginning of the performance period	We acknowledge the approach may be unique compared to our peers. However, the Board feel this approach provides better alignment between Executive remuneration outcomes and shareholder interests as executives share in any upside or downside over the performance period.
Lack of STI deferral	Fortescue's STI has a mandatory minimum amount of 50 per cent that must be taken in share rights, with the option to elect up to 100 per cent in shares. A mandatory STI deferral of 50 per cent over two years (25 per cent in year one and 25 per cent in year two) will be implemented for KMP from the FY25 ESSIP onwards.

4. BUSINESS PERFORMANCE

Underpinned by our unique culture and Values and a strong focus on operating excellence and cost management, Fortescue delivered another year of strong performance across our stretch safety, production and financial targets.

Safety is a core priority and we achieved a TRIFR of 1.3 across Metals in FY24, representing a 28 per cent improvement on the prior year. While this is an outstanding and industry leading result that exceeded our stretch target of 1.8, we remain unwavering in our aim to be a global leader and focused on leading safety indicators as well as TRIFR.

Our iron ore shipments totalled 191.6Mt in FY24, which is the second highest in the Company's history. This was an incredible effort given the challenges the team had to overcome, including an ore car derailment on our main line and some significant weather disruptions. The team moved quickly to implement a recovery plan, and we achieved record shipments in the June quarter. We also set new records in railed tonnes, demonstrating the efficiencies gained through our recovery plan. This record result meant that Fortescue was still able to exceed its stretch target for hematite shipments, resulting in a partial achievement of our production targets.

Our Iron Bridge mine transitioned to operational production and achieved its first shipment of high grade magnetite concentrate in early FY24. While the performance of the raw water pipeline impacted production and shipments during the year, an innovative water management strategy has been employed to increase plant uptime. This capital efficient option may mitigate the need to replace the high-pressure section of the raw water pipeline. Commissioning activities continue to progress, with our focus on a safe and efficient ramp up.

We remain focused on maintaining an industry leading cost position and our Hematite C1 cost in FY24 of US$18.24/wmt was in line with our market guidance. Our C1 cost continues to be impacted by inflationary pressures, including diesel prices and labour rates, as well as mine plan led cost escalation. Our strong cost management resulted in partial achievement of Fortescue's stretch target for Hematite C1 cost and Magnetite expenditure.

Fortescue's financial performance was underpinned by its strong operating performance and customer demand, together with capital and cost discipline. Underlying EBITDA of US$10.7 billion was seven per cent higher than FY23 and the net profit after tax of US$5.7 billion was the second highest in the Company's history. This contributed to an underlying return on equity (excluding Fortescue Energy costs) of 31 per cent. Our Company's balance sheet remains strong, with a cash on hand of US$4.9 billion and net debt of US$0.5 billion at 30 June 2024.

Reflecting an ongoing commitment to delivering shareholder returns, the Board has declared a fully franked final dividend of A$0.89 per share, bringing total dividends declared for FY24 to A$1.97 per share. This represents a payout ratio of 70 per cent of net profit after tax, in line with the Company's dividend policy to payout between 50 and 80 per cent of net profit after tax.

Progress on decarbonisation was evident right across the business throughout FY24. This includes construction of a 100MW solar farm at North Star Junction, commissioning of our gaseous and liquid hydrogen facility at Christmas Creek and the changeout of 120 airfield lights to solar at our aerodrome at Cloudbreak. We also deployed our first electric excavators which are now operating across our sites, together with the development of a battery electric and hydrogen fuel cell haul truck prototypes. The focus on increasing energy efficiency across our sites resulted in a 10 per cent decrease from our forecast CO_2 emissions in FY24, which saws saw us exceed our FY24 stretch targets for decarbonisation.

In the Energy business, Fortescue took green energy projects to final investment decision. We launched Arizona Hydrogen, our green hydrogen plant in the United States, and started work on Gladstone PEM50, a 50MW green hydrogen project utilising Fortescue's own electrolyser technology. The Fortescue Board also agreed to fast-track two more projects, enabling them to advance to feasibility phase and commencement of the front end engineering process. Holmaneset is a green ammonia project in Norway, which has received backing and funding from the European Union, and our Pecém Green Hydrogen Project in Brazil advanced to feasibility phase, including commencement of the front end engineering design process. In addition, we have prospective projects being advanced in Oman, Morocco, Jordan and Egypt. Progress on energy projects resulted in a partial achievement of the stretch target.

In FY24, we also officially opened our Gladstone Electrolyser Manufacturing Centre in Queensland and started selling our electrolyser systems around the world. Through Fortescue Zero, we are continuing to develop the solutions needed to decarbonise industry. Sales contracts were executed to new and existing customers for battery packs, battery management systems and battery intelligence software.

As the technology, energy and metals group accelerating the commercial decarbonisation of industry, rapidly, profitably and globally, we remain firmly focused on delivering against our growth strategy to the benefit of all our stakeholders.

SAFETY

1.3

FORTESCUE METALS TOTAL RECORDABLE INJURY FREQUENCY RATE

SHIPMENTS

191.6Mt

TOTAL SHIPMENTS

C1 COST

US$18.24/wmt

HEMATITE

CASH ON HAND

US$4.9bn

NET PROFIT AFTER TAX

US$5.7bn

DIVERSITY

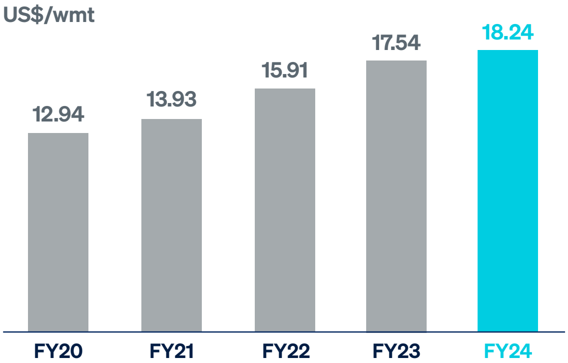
24.5%

FEMALE

The following graphs show our Group performance against key financial measures in FY24:

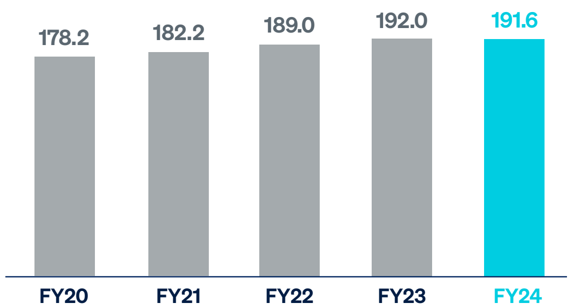
C1 Cost

US$/wmt



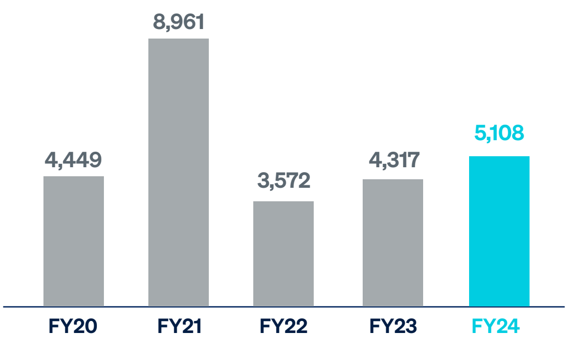
Shipments

wmt



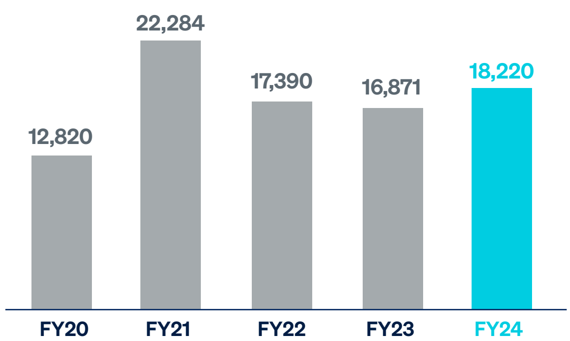
Free cash flow

US$m

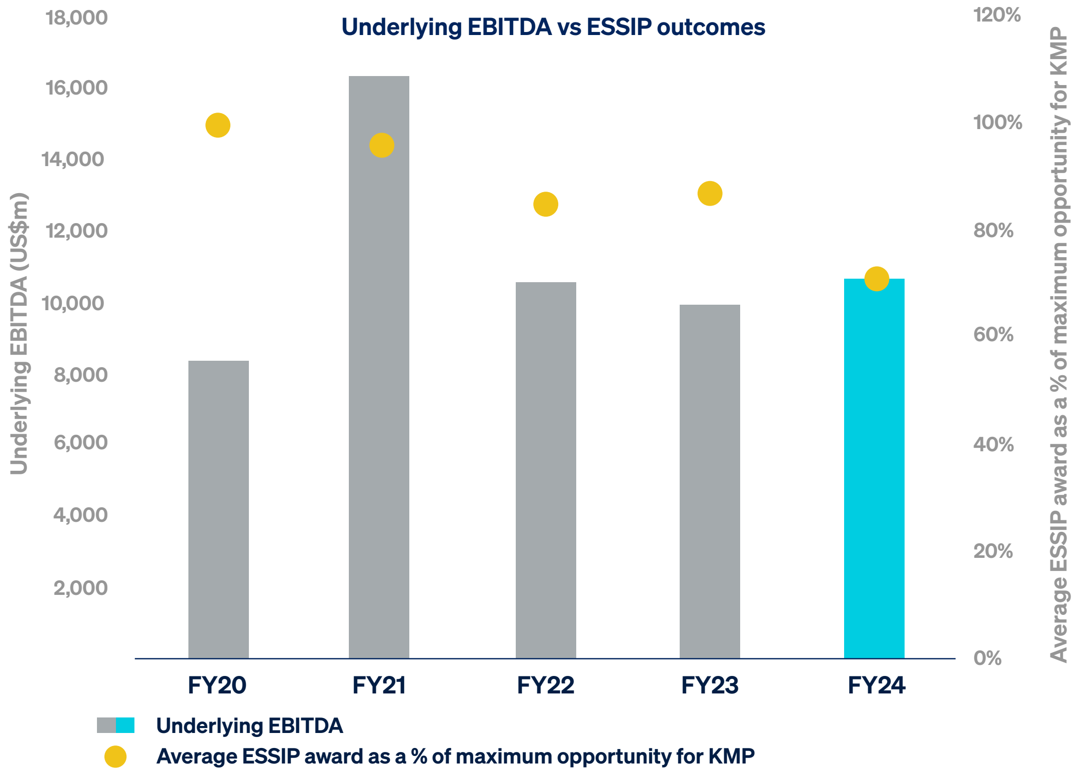


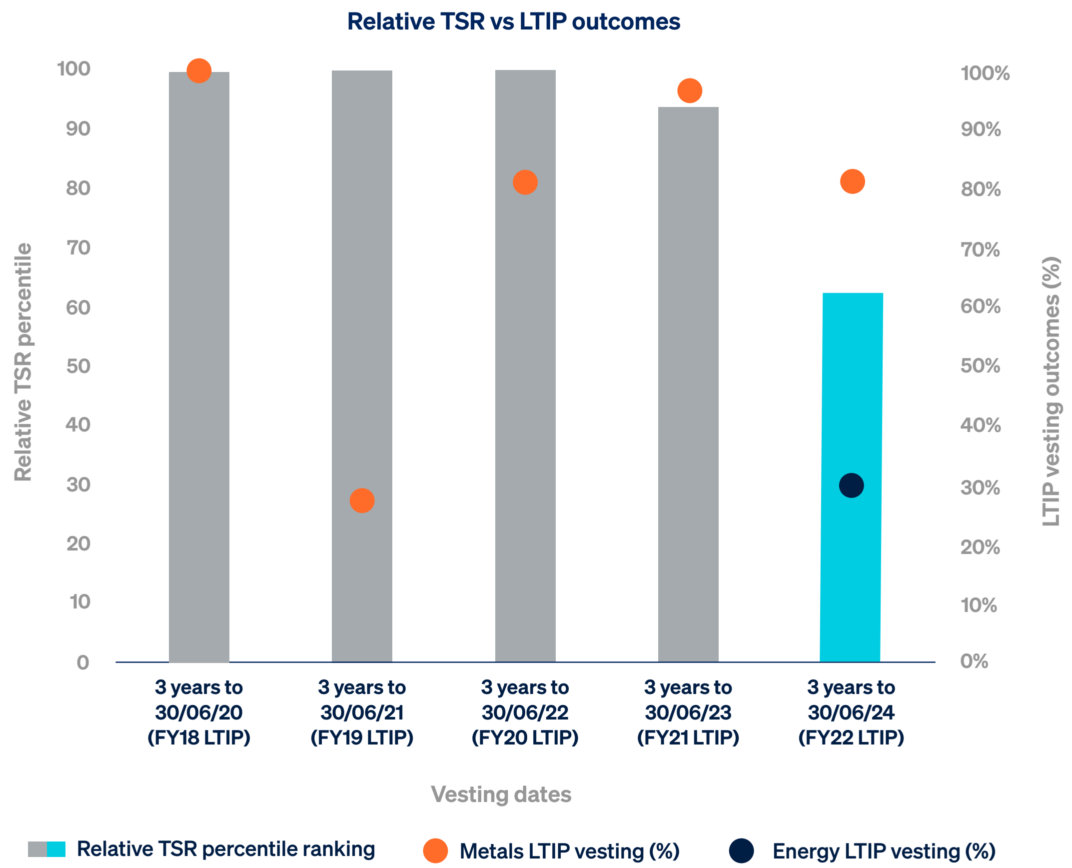
Revenue

US$m



The graphs below show Fortescue's EBITDA vs ESSIP outcomes and relative TSR vs LTIP outcomes over the last five years.





The values for FY19, FY20, and FY21 LTIP vesting outcomes in the chart above reflect the application of the LTIP Maximum Value Limit which reduced overall vesting due to the increase in the share price over the respective performance periods. The actual performance outcome for the FY19, FY20 and FY21 LTIP was 100%.

a. Five year Group performance

Fortescue continues to deliver operational and financial improvements across the business. Our performance across key financial measures for FY24 and the five years FY20 to FY24 inclusive are set out below.

UNDERLYING EBITDA	NET PROFIT AFTER TAX	UNDERLYING RETURN ON EQUITY	FY24 DIVIDENDS
US$10.7bn	US$5.7bn	31%[2]	A$1.97 per share

	2024	2023	2022	2021	2020
Total tonnes shipped (wmt)	**191.6**	192.0	189.0	182.2	178.2
Revenue (US$m)	**18,220**	16,871	17,390	22,284	12,820
Underlying EBITDA (US$m)	**10,708**	9,963	10,561	16,375	8,375
Net profit after tax (US$m)	**5,664**	4,796	6,197	10,295	4,735
Underlying net profit after tax (US$m)[1]	**5,664**	5,522	6,197	10,349	4,746
Underlying return on equity (%)	**31[2]**	33[2]	38[2]	67	40
Gearing (book value of debt/debt + equity) (%)	**22**	23	26	19	28
Dividends declared (A$ per share)	**1.97**	1.75	2.07	3.58	1.76
Share price at 30 June (A$)	**21.41**	22.18	17.53	23.34	13.85
Change in share price (A$)	**(0.77)**	4.65	(5.81)	9.49	4.83
Change in share price (%)	**(3.5)**	27	(25)	69	54

[1] Underlying net profit after tax refers to results adjusted for the removal of significant non-cash and non-recurring items.

[2] Underlying return on equity excludes Fortescue Energy costs.

5. REMUNERATION OUTCOMES

As reported in Section 4, Fortescue has again delivered strong, consistent results against the majority of our key targets for FY24, underpinned by our Values based culture and the commitment of the entire Fortescue team.

A. FY24 FIXED REMUNERATION CHANGES

A market review of KMP fixed remuneration was undertaken as part of Fortescue's broader annual salary review process. As a result of that review, and in order to remain competitive against peers in a tight market for talent, the Board approved the below increases to KMP fixed remuneration.

KMP	% Increase	TFR A$
Executives		
Elizabeth Gaines[1]	N/A	500,000
Mark Hutchinson[2]	4	2,080,000
Dino Otranto[3]	36	1,750,000
Apple Paget[4]	37	840,000
Shelley Robertson[5]	N/A	725,000
Christine Morris[6]	N/A	1,150,000
Fiona Hick[6]	N/A	2,080,000

[1] Effective 1 May 2024 Elizabeth Gaines' remuneration has been updated to reflect a reduction in time commitment as an Executive Director and Global Ambassador.

[2] Mark Hutchinson's remuneration was increased from 1 July 2023 as part of Fortescue's broader annual salary review process.

[3] Dino Otranto's remuneration was increased to 1,339,000 effective 1 July 2023 relating to his role as Chief Operating Officer aligned with Fortescue's broader annual salary review process. On appointment to the role of Fortescue Metals CEO, Mr Otranto's remuneration was increased to 1,400,000 effective 28 August 2023. This was subsequently reviewed and increased to 1,750,000 with effect from 1 January 2024 based on the Board's assessment of performance in role.

[4] Apple Paget's remuneration for acting in the role of Metals CFO was set at A$615,295 (which included a higher duties allowance of A$127,920). Effective 21 February 2024, her total fixed remuneration was increased to A$840,000 (including a higher duties allowance) to reflect commencement in the acting position of Group CFO.

[5] Shelley Robertson's remuneration was set on commencement in October 2023.

[6] Christine Morris and Fiona Hick did not receive an increase to their remuneration in FY24.

B. FY24 ESSIP PERFORMANCE OUTCOMES

Fortescue's short term incentive arrangements are designed to focus executives on both 'what' must be achieved (financial targets), as well as 'how' it should be achieved (non-financial targets and individual KPIs). Our ESSIP operations, people and culture, and individual KPIs have direct and quantifiable impacts on the Company.

Further details of the Fortescue Metals and Energy ESSIP approaches, scorecards and performance outcomes are included on the following pages.

FORTESCUE METALS FY24 SCORECARD

The ESSIP performance objectives and outcomes in FY24 for Fortescue Metals are shown in the tables below.

Company wide operations and people and culture measures

The table below summarises the operations and people and culture measures which applied to the Fortescue Metals CEO and other executives in the Metals business during FY24.

The outcome was 64.3 per cent out of a maximum of 80 per cent with a maximum of 20 per cent allocated to individual KPIs.

Measure	Weighting	Detail	Stretch target	Assessed outcome	Commentary
Operations – 60%					
Safety[1]	10	TRIFR Injury risk profile Fatality risk profile Fatality Hurdle applies	≤1.8 20% reduction 15% reduction	Achieved	TRIFR of 1.3 achieved for Metals business. Injury risk profile reduced by 25.3% and fatality risk profile reduced by 21.9%
Production	10	Total hematite iron ore shipped Total magnetite iron ore shipped	189.4Mt 7.4Mt	Partially achieved	Hematite shipments of 190.4Mt exceeded target Magnetite shipments of 1.2Mt were below threshold
C1 cost	10	Hematite C1 cost	A$26.97/wmt	Partially achieved	Hematite C1 cost was A$27.64/wmt, slightly above target resulting in partial achievement
Cash flow	10	Sustaining capital expenditure	A$2,134m	Achieved	A$2,133m sustaining capital expenditure for the full year was lower than the stretch target
Revenue	10	Fortescue Metals EBITDA margin (EBITDA/Total Revenue) Ship higher value product volumes	>58%	Partially achieved	Full year EBITDA margin of 63% exceeded target High value product objective was not met due to a business decision to prioritise throughput as part of the production recovery plan
Decarbonisation	10	Reduction in forecast emissions Integrated decarbonisation schedule	2% Delivery of schedule and budget	Exceeded	A 10% reduction in forecast emissions was achieved, exceeding the target All FY24 decarbonisation schedule milestones were achieved
People and Culture – 20%					
People and culture	20	Measured through the People Experience Survey as well as Board assessment:		Partially achieved	Results of the People and Culture measures were as follows:
		Net promoter score	>+34		+27
		Employee engagement index	>82		77
		Female employment rate	>23%		23.7% (Metals only)
		GM & above female employment rate	>33%		37.8% (Metals only)
		Indigenous employment rate	>15%		14.8% (Pilbara operations)

[1] In the event of a fatality, no award is made for the safety KPI.

The non-IFRS financial information included in the table above has not been subject to audit.

Individual KPIs

The table below illustrates the individual KPIs for CEO Metals, the outcome was 15 per cent out of a maximum of 20 per cent. This resulted in a total outcome of 79.3 per cent for Fortescue Metals CEO.

Stretch target	Commentary
One Fortescue Operating Model and Culture Embed One Fortescue into ways of working across Fortescue Metals and Energy. Identify pathway to address culture opportunities highlighted through 2023 People Experience Survey. Develop improved leadership capability. Identify and address organisational capability gaps through business and workforce planning, and achieve a level of stability across the business.	A simplified One Fortescue leadership team established with embedded cost reductions and shared mission. Action Plan developed and implemented in response to FY23 People Experience Survey but FY24 survey shows there are still areas for improvement. Initiatives to enhance leadership capability across both Metals and Energy were launched including the Fortescue Leadership Academy. Executive level turnover still higher than target with continued focus on organisational capability and stability.
Belinga Iron Ore Project Achieve first shipment. Complete the 6-inch and diamond core programs. Finalise the Belinga Accelerated Project Plan to enable fast track to FID.	First shipment was achieved in November 2023. 6-inch diamond core program partially completed. Belinga Accelarated Project Plan deferred. The focus for the Belinga project is now on exploration and studies with the team working through the process to identify an optimised project configuration.
Iron Bridge Successfully transition Iron Bridge from Major Projects to Operations and ramp up as per budget. Deliver successful commercial agreement with local pastoralists to increase Iron Bridge water abstraction licence for the West Canning Basin.	Iron Bridge successfully transitioned from Major Projects to Operations in August 2023. Ramp up as per budget not achieved due to impact of the Raw Water Pipeline performance, which now is being managed through a novel 'water banking strategy'. Commercial agreements in place with local pastoralists as required.

FORTESCUE ENERGY FY24 SCORECARD

The ESSIP performance objectives and outcomes in FY24 for Fortescue Energy are shown in the tables below.

Company wide business outcomes and people and culture measures

The table below summarises the business outcomes and people and culture measures which apply to the Fortescue Energy CEO and other executives in the Energy business during FY24.

The outcome was 58.9% out of a maximum of 80% with a maximum of 20% allocated to individual KPIs.

Measure	Weighting	Detail	Stretch target	Assessed outcome	Commentary
Operations – 60%					
Safety[1]	10	TRIFR Fatality Hurdle applies	≤1.8	Achieved	TRIFR of 0.3 achieved for Energy business
Projects	20	Value accretive projects to FID (supported by funding solution)	5 projects	Partially achieved	Arizona Hydrogen and PEM50 projects went to FID in FY24
Commercialisation	10	Products sold to new customers across Fortescue Zero and Hydrogen Production Systems	5 products	Achieved	In total seven products were sold to new customers in FY24
Cost	10	Segment net operating expenditure (EBITDA loss)	No more than US$700m	Achieved	Management focus on strict cost discipline, financial management and efficiencies resulted in segment net operating expenditure of US$659m
Decarbonisation	10	Integrated decarbonisation schedule and budget agreed with FY24 milestones achieved	Two solar farms progressed to FID Selection of preferred solution for all zero-emission mobile equipment classes Primary wind site selected and necessary approvals underway	Partially achieved	Decarbonisation milestones were achieved, except for the second solar farm which was ready to be taken to FID in February 2024 but was delayed due to circumstances outside of management's control
People and Culture – 20%					
People and culture	20	Measured through the People Experience Survey as well as Board assessment:		Partially achieved	Results of the People and Culture measures were as follows:
		Net promoter score	>+10		+2
		Employee engagement index	>82		71
		Female employment rate	>31%		28.8% (Energy only)
		GM & above female employment rate	>35%		35.8% (Energy only)

[1] In the event of a fatality, no award is made for the safety KPI.

The non-IFRS financial information included in the table above has not been subject to audit.

Individual KPIs

The table below illustrates the individual KPIs for the Fortescue Energy CEO. Whilst some targets were partially achieved, the Fortescue Energy CEO and the Board determined a total outcome of 50 per cent was appropriate.

Stretch target	Commentary
One Fortescue Operating Model & Culture Embed One Fortescue into our ways of working across Fortescue Metals and Energy. Identify pathway to address culture issues highlighted through 2023 People Experience Survey. Develop improved leadership capability. Identify and address organisational capability gaps through business and workforce planning and achieve a level of stability across the business.	A simplified One Fortescue leadership team established with embedded cost reductions and shared mission. Action Plan developed and implemented in response to FY23 People Experience Survey but FY24 survey shows there are still areas for improvement. Initiatives to enhance leadership capability across both Metals and Energy were launched including the Fortescue Leadership Academy. Executive level turnover still higher than target with continued focus on organisational capability and stability.
Fortescue Capital Successfully establish the Fortescue Capital business and team with a business plan aligned to Fortescue Energy's funding requirements and third-party capital relationships established.	Fortescue Capital established in New York with key leadership appointments in place. Business plan approved by the Board with good progress made on obtaining third-party capital relationships.
Fortescue WAE Integrate WAE culture to align with Fortescue values and provide a transparent pathway to integration (including systems and cyber) with Fortescue, achievement of business plan goals, and a pathway to profitability.	A pathway to integration of systems and cyber identified and progressed. Progress on business plan goals, culture alignment and employee engagement were below expectations.

GROUP WIDE ROLES

For roles which support both the Metals and Energy business, including the CCO and Group CFO, company performance outcomes are based on 50 per cent Metals performance and 50 per cent Energy performance.

Individual KPIs

The table below illustrates the individual KPIs for the Group CFO and CCO. Both the Group CFO and CCO achieved an outcome of 15 per cent out of a maximum of 20 per cent. This resulted in a total outcome of 76.6 per cent for both the Group CFO and CCO.

Role	Stretch target	Commentary
Group CFO	Targets included identification of opportunities to embed sustained efficiencies across Finance, facilitate integration of Metals and Energy finance functions as appropriate and establish relationships and build networks through engagement across the banking and investment community.	Strong performance in managing and reporting Fortescue's key financial metrics. Successful consolidation of the Group and Energy finance functions resulting in increased productivity and clearer accountability. Focus on bringing together Metals and Energy businesses, including the establishment of a simplified One Fortescue leadership team. Implementation of enhanced Business Planning approach to inform the capital allocation framework. Supported Fortescue's institutional investor engagement program and bank and funding engagement activities.
CCO	Objectives for the CCO included establishment of the Corporate Services team, a focus on Leadership and Talent Assessment including the development and implementation of a leadership assessment tool linked to our capability framework to support talent and succession planning, and improvements in the Technology function including the use of autonomy and AI.	Corporate Services shared mission established with opportunities to standardise across Metals and Energy identified. Focus on bringing together Metals and Energy businesses, including the establishment of a simplified One Fortescue leadership team. Initiatives to enhance leadership capability across the business were launched, including the Fortescue Leadership Academy. A comprehensive Global Business Service strategy was developed and implemented.

FY24 ESSIP CASH AND SHARES OUTCOMES

The table below details the maximum ESSIP cash and share awards against the actual outcomes for FY24.

FY24 US$	TFR	Maximum ESSIP opportunity (% of TFR)	Weighting in shares (%)[1]	Maximum ESSIP cash opportunity	Maximum ESSIP shares opportunity	ESSIP outcome %	Total ESSIP cash awarded	Nominal value of ESSIP vested rights[2]		Nominal total ESSIP value[2]	
								Share price at grant A$21.9714	Share price at vesting A$22.0159	Share price at grant A$21.9714	Share price at vesting A$22.0159
Dino Otranto[3]	1,026,585	112.5	100	-	80,595	79.3	-	920,827	922,692	920,827	922,692
Mark Hutchinson	1,363,981	112.5	100	-	106,502	50	-	767,239	768,793	767,239	768,793
Apple Paget[3]	389,167	75	50	133,131	9,240	76.6	101,979	101,977	102,184	203,956	204,163
Shelley Robertson[4]	356,570	75	100	-	18,527	76.6	-	204,473	204,888	204,473	204,888

Remuneration values have been translated from Australian dollars to US dollars using an average exchange rate of 0.65576.

FY24 A$	TFR	Maximum ESSIP opportunity (% TFR)	Weighting in shares (%)[1]	Maximum ESSIP cash opportunity	Maximum ESSIP shares opportunity	ESSIP outcome %	Total ESSIP cash awarded	Nominal Value of ESSIP vested rights[2]		Nominal total ESSIP value[2]	
								Share price at grant A$21.9714	Share price at vesting A$22.0159	Share price at grant A$21.9714	Share price at vesting A$22.0159
Dino Otranto[3]	1,565,489	112.5	100	-	80,595	79.3	-	1,404,214	1,407,058	1,404,214	1,407,058
Mark Hutchinson	2,080,000	112.5	100	-	106,502	50	-	1,169,999	1,172,369	1,169,999	1,172,369
Apple Paget[3]	593,459	75	50	203,019	9,240	76.6	155,512	155,510	155,825	311,022	311,337
Shelley Robertson[4]	543,750	75	100	-	18,527	76.6	-	311,811	312,443	311,811	312,443

F Hick and C Morris were not employed at the time ESSIP invitations were issued and as such have not been included in the above tables. E Gaines is not eligible to participate in the ESSIP and as such has not been included in the table. The Executive Chairman does not receive a salary or participate in any incentive plans and as such has not been included in the table.

[1] Participant's elected weighting in shares (minimum 50 per cent of the total award) divided by the strike price used to determine the number of share rights granted being the VWAP of Fortescue shares traded over the first five days of the plan year (A$21.9714).

[2] Nominal value of ESSIP vested rights is non-IFRS financial information and has not been subject to audit.

[3] TFR and ESSIP values for D Otranto and A Paget are pro-rated based changes in their TFR and ESSIP participating levels throughout the year.

[4] TFR and ESSIP values for S Robertson have been pro-rated from commencement of employment with Fortescue of 1 October 2023.

C. FY22 LTIP PERFORMANCE OUTCOMES

Each LTIP performance measure has a minimum performance hurdle for vesting with increasing levels applicable to each individual measure. There is an ability to earn up to 150 per cent of any individual measure by achieving stretch performance, however the overall cap for the LTIP is 100 per cent of the maximum number of share rights granted. The FY22 LTIP was tested over the period from 1 July 2021 to 30 June 2024.

The terms of the FY22 LTIP include a Maximum Value Limit on the vested value of the LTIP to prevent executives receiving a windfall gain as a result of growth in Fortescue's share price over the allocation value of the award. Given the value at vesting, the cap has not been applied.

FY22 Metals LTIP

The Company has achieved the performance measures shown in the table below, resulting in 81.3 per cent of share rights vesting.

FY22 LTIP Performance Outcomes

Measure	Weighting %	Threshold	Result	Achieved %	Weighted achievement %
TSR	33	60th percentile	62.5th percentile	34.4	11.3
ROE	33	25%	34.0%	140.0	46.2
Strategic measures	34	5 out of 10	8 out of 10	70.0	23.8
FY22 LTIP vesting outcome	**100**				**81.3**

Performance measure and objective	Result	Proportion of award vested %	Comment
TSR (33%)			
In line with the Company's approach to setting stretch targets, the Board determined that a vesting schedule more aggressive than standard market (local and global) practice was required to align executive reward for this performance measure with superior shareholder returns The vesting criteria: • threshold at the 60th percentile, resulting in 25% of rights vesting • target at the 80th percentile, resulting in 100% of rights vesting; and • stretch at the 100th percentile, resulting in 150% of rights vesting	62.5th percentile	34.4	Fortescue achieved a TSR of 29.8 per cent and ranking at the 62.5th percentile achieving a result between threshold and target for this measure
ROE (33%)			
The vesting criteria: • threshold was set at 25%, resulting in 25% of rights vesting • target was set at 30%, resulting in 100% of rights vesting; and • 150% of rights will vest for ROE greater than 35%	34.0%	140.0	Fortescue's underlying ROE (excluding Fortescue Energy costs) performance exceeded the ROE target performance hurdle of 30 per cent achieving an average ROE over the three year period of 34.0 per cent

Performance measure and objective	Result	Proportion of award vested %	Comment
Strategic measures (34%)			
Strategic measures	8 out of 10	70.0	Achieved a score of 8 between the threshold of 5 (25%) and target of 10 (100%) which equalled 70% vesting for this measure
Technology Development Assess beneficiation and processing technologies that have the potential to disrupt the existing iron/steel-making value chain, enabled by green energy and technological change with initial recommendations presented to the Board for consideration by the end of FY22 with implementation of pilot plants by FY24		Achieved at target	Four test campaigns on Fortescue's iron making process were completed in FY24, with major improvements realised in plant stability, efficiency of iron reduction, iron recovery and amount of iron product produced Various green metal making processes under development including approval of Green Metal Project and progress of Low Energy Direct Electrochemical Reduction process
Magnetite Growth Complete the Iron Bridge Magnetite Project in line with Board approved Scope, Budget and Timeframes with First Ore on Ship achieved in December 2022 and on track to ramp up to 22mtpa by June 2024. Develop and commence execution of the plan to acquire magnetite assets to support growth strategy		Not achieved	Iron Bridge completion (consequently, first ore on ship and ramp up) was significantly impacted by the COVID-19 pandemic which resulted in schedule prolongation (e.g. low workforce availability and delays in equipment delivery)
Emissions Identify a pathway to have at least 80% of the mobile fleet (haul trucks, drills, excavators, trains and Fortescue ore carriers) capable of running on renewable energy or associated variant (i.e. hydrogen, ammonia) by 2030 (subject to Board approval and capital allocation) Achieve 30% of stationary power from renewables for existing operations (subject to Board approval and capital allocation) and identify a pathway to achieve at least 80% of stationary power from renewables for existing operations by 2030		Achieved at target	Zero emission solution pathways identified for over 90% of the mobile fleet, with manufacturing pathways selected for 81% of the fleet. Supplying an average of over 30% of their stationary power demand from solar has been achieved at some sites (e.g. Chichester)
Access to Inventory Work with traditional owners, regulatory bodies and other third parties to implement the required changes to approval processes following the introduction of new State legislation to provide access to inventory		Achieved at target	Changes made in response to evolving legislative regime. Stretch target of achieving access to inventory achieved and 450Mt unlocked to life of mine

FY22 Energy LTIP

The Company has achieved the performance measures shown in the table below, resulting in 30.0 per cent of share rights vesting.

FY22 LTIP Performance Outcomes					
Measure	**Weighting %**	**Threshold**	**Result**	**Achieved %**	**Weighted achievement %**
TSR	33	60th percentile	62.5th percentile	34.4	11.3
Independent valuation	33	Threshold valuation	Not achieved	0.0	0.0
Strategic measures	34	Five out of 10	Seven out of 10	55.0	18.7
FY22 LTIP vesting outcome	**100**				**30.0**

Performance measure and objective	Result	Proportion of award vested %	Comment
TSR (33%)			
In line with the Company's approach to setting stretch targets, the Board determined that a vesting schedule more aggressive than standard market (local and global) practice was required to align executive reward for this performance measure with superior shareholder returns The vesting criteria: • threshold at the 60th percentile, resulting in 25% of rights vesting • target at the 80th percentile, resulting in 100% of rights vesting; and • stretch at the 100th percentile, resulting in 150% of rights vesting	62.5th percentile	34.4	Fortescue achieved a TSR of 29.8 per cent and ranking at the 62.5th percentile achieving a result between threshold and target for this measure
Independent valuation (33%)			
The vesting criteria: • performance at threshold resulting in 25% of rights vesting • performance at target, resulting in 100% of rights vesting; and • 150% of rights will vest for greater than three times target	Not achieved	0.0	Fortescue Energy's valuation was not achieved
Strategic measures (34%)			
Strategic measures	7 out of 10	55.0	Achieved a score of 7 between the threshold of 5 (25%) and target of 10 (100%) which equalled 55% vesting for this measure
Renewable Resource Exclusivity Gain exclusive rights to access, occupy and use land for the generation of 300GW of renewable energy, which includes the generation from the Power Purchase Agreements (PPA) where security of supply exists. Secure a pathway to land with potential for generating capacity of 1,250GW		Partially achieved	Secured exclusive rights to access, occupy and use land for the generation of 88GW of renewable energy As an outcome of the Board Think Tank in FY23, the Energy business pivoted to focus on a revised land strategy to identify and secure 400GW of the best energy resources in the most suitable countries for the coming years. The pivot resulted in the rationalisation of regional development and a strategic decision to not renew agreements in certain jurisdictions.

Performance measure and objective	Result	Proportion of award vested %	Comment
Strategic measures (34%) continued			
Projects Develop and commence execution of the plan to deliver 15mtpa of green hydrogen (or equivalent) by 2030, targeting first production commencing in 2024 Secure offtake agreements to align with project supply Secure green funding to align with project schedule		Partially achieved	The 15mtpa target will not be achieved by 2030. During FY24, the Energy business pivoted its strategic execution to focus and invest in projects that provide the most competitive economics, are repeatable, have the most certainty of execution, and have a strong line of sight to off takers in key regulated markets
Technology Development Assess beneficiation and processing technologies that have the potential to disrupt the existing iron/steel-making value chain, enabled by green energy and technological change with initial recommendations presented to the Board for consideration by the end of FY22 with implementation of pilot plants by FY24 Demonstrate pilot scale trials of electrochemical reduction of iron ore, developed in-house by Fortescue Future Industries Trail Metal Membrane technology at commercial scale		Partially achieved	Four test campaigns on the green metal making process were completed in FY24, with major improvements realised in plant stability, efficiency of iron reduction, iron recovery and amount of iron product produced Solomon Detritals Pilot Facility approved and under development. Significant upgrades programme commenced Various green metal making processes under development including approval of the Green Metal Project and progress of Low Energy Direct Electrochemical Reduction process
Manufacturing Complete the Green Energy Manufacturing (GEM) Centre in Gladstone in line with Board approved scope, budget and timeframes with first electrolysers produced in FY24 Develop and commence execution of the plan to expand manufacturing capability to additional components and additional facilities		Achieved at target	Facility commissioned in April 2024 in line with Board approved scope and budget with the first Electrolyser stack produced in March 2024 In FY24, Fortescue Zero opened the Banbury production facility in the UK to manufacture advanced power systems for heavy industrial applications Manufacturing of prototype systems has commenced for the T264 truck, with full scale production scheduled to commence in FY25, along with systems for additional equipment type
Green Fleet and Emissions Identify a pathway to have at least 80% of the mobile fleet (haul trucks, drills, excavators, trains and Fortescue ore carriers) capable of running on renewable energy or associated variant (i.e. hydrogen, ammonia) by 2020 (subject to Board approval and capital allocation) Achieve 30% of stationary power from renewables for existing operations (subject to Board approval and capital allocation) and identify a pathway to achieve at least 80% of stationary power from renewables for existing operations by 2030		Achieved at target	Zero emission solution pathways identified for over 90% of the mobile fleet, with manufacturing pathways selected for 81% of the fleet. Supplying an average of over 30% of their stationary power demand from solar has been achieved at some sites (e.g. Chichester)

d. Actual remuneration paid (non-IFRS)

The following tables show the nominal remuneration value realised by the individual and includes fixed remuneration, cash incentives and the nominal value of equity at the time the share rights vest or shares are awarded:

US$	Fixed remuneration[1]	FY24 ESSIP cash paid	Nominal value of FY24 ESSIP vested rights[2,3]	Nominal value of FY22 LTIP vested rights[4,5]	Other payment	Termination payment	Nominal total remuneration earned in FY24
E Gaines[6]	745,927	-	-	631,095	-	-	1,377,022
D Otranto	1,026,585	-	922,692	595,995	-	-	2,545,272
M Hutchinson	1,363,981	-	768,793	-	-	-	2,132,774
A Paget	389,167	101,979	102,184	-	-	-	593,330
S Robertson	356,570	-	204,888	-	-	-	561,458
F Hick[7]	214,568	-	-	-	-	1,369,334	1,583,902
C Morris[8]	127,190	-	-	-	-	250,395	377,585

Remuneration values have been translated from Australian dollars to US dollars using an average exchange rate of 0.65576, except for the FY22 LTIP which has been translated at 0.68512, which is the three year average exchange rate to reflect the LTIP performance period.

A$	Fixed remuneration[1]	FY24 ESSIP cash paid	Nominal value of FY24 ESSIP vested rights[2,3]	Nominal value of FY22 LTIP vested rights[4,5]	Other payment	Termination payment	Nominal total remuneration earned in FY24
E Gaines[6]	1,137,500	-	-	921,145	-	-	2,058,645
D Otranto	1,565,489	-	1,407,058	869,914	-	-	3,842,461
M Hutchinson	2,080,000	-	1,172,369	-	-	-	3,252,369
A Paget	593,459	155,512	155,825	-	-	-	904,796
S Robertson	543,750	-	312,443	-	-	-	856,193
F Hick[7]	327,205	-	-	-	-	2,088,164	2,415,369
C Morris[8]	193,958	-	-	-	-	381,840	575,798

The Executive Chairman does not receive a salary or participate in any incentive plans and as such has not been included in the table.

1 Fixed remuneration includes cash salary, paid leave and superannuation.

2 FY24 ESSIP share rights granted at the beginning of the performance period at a VWAP of A$21.9714.

3 FY24 ESSIP vested rights awarded have a nominal value based on A$22.0159 being the five day VWAP at the beginning of FY25. The increase in share price over the respective performance period has resulted in an unrealised increase in equity value to KMP in respect to this plan.

4 FY22 LTIP share rights granted at the beginning of the performance period at a VWAP of A$23.576.

5 FY22 LTIP vested rights awarded have a nominal value based on A$22.0159 being the five day VWAP at the beginning of FY25. The decrease in share price over the respective performance periods has resulted in an unrealised decrease in equity value to KMP in respect to these plans.

6 E Gaines is not eligible to participate in the ESSIP in her role as Executive Director and Global Ambassador. The value shown in relation to the FY22 LTIP relates to her ongoing eligibility in relation to her previous role as CEO.

7 F Hick resigned as Fortescue Metals CEO with her last day of employment being 28 February 2024. Ms Hick remained employed by the company during her six month notice period with remuneration received during this period shown under the termination payment. Following the conclusion of her employment, Ms Hick was paid amount equivalent to six months' pay, noting the company elected to impose Ms Hick's post-employment restraint. This value also shown under termination payment.

8 C Morris departed Fortescue on 31 August 2023, on cessation of employment she received a payment of A$287,500 in lieu of her three month notice period and a payment of A$94,340 to assist with relocation to the United States of America. These values are shown under the termination payment column.

6. INCENTIVE PLAN OPERATION

The purpose of the ESSIP and LTIP is to incentivise and reward key Fortescue Executives (including KMP) for achieving annual stretch Company and individual performance objectives that drive shareholder value.

A. ESSIP

Below we have set out the key terms of the ESSIP for FY24 (noting differences, where applicable, between Fortescue Metals and Fortescue Energy ESSIP plans):

<table>
<tr><th>Element</th><th colspan="2">Description</th></tr>
<tr><td>Delivery</td><td colspan="2">At the start of the performance period, participants elect the portion of award they wish to receive in rights with the remaining award to be delivered as cash. The plan allows executives to elect to receive up to 100 per cent of awards in equity (a minimum of 50 per cent must be elected to be received by way of share rights). Each share right, if vested, entitles the participant to an ordinary share in Fortescue for nil consideration.</td></tr>
<tr><td>Performance period</td><td colspan="2">One year (i.e. 1 July to 30 June)</td></tr>
<tr><td>Valuing awards</td><td colspan="2">The number of ESSIP share rights are calculated based on the VWAP of Fortescue shares traded over the first five trading days of the performance period. As such:
• If the share price at the time of vesting is higher, Executives will receive higher value per share right.
• If the share price at the time of vesting is lower, the value to executives is decreased.

The value of share rights is therefore aligned with shareholder interests from the beginning of the performance period as executives receive value consistent with share price movements.</td></tr>
<tr><td rowspan="3">Performance measures</td><td colspan="2">The Board continues to recognise the importance of focusing on operational and strategic targets with people and culture also being a key driver of success.

In FY24, the Board set a number of challenging targets for Fortescue Metals and Fortescue Energy (noted below). Where employees support both businesses, outcomes are based on 50 per cent Metals and 50 per cent Energy performance.

The Board determined the relative weighting and mix of performance objectives for KMP and executives to deliver long term sustainable shareholder value. Further details of performance measures for FY24 are disclosed in Section 5.</td></tr>
<tr><td>FORTESCUE METALS</td><td>FORTESCUE ENERGY</td></tr>
<tr><td>The Board set a number of challenging targets for operations, including production, safety, cost and revenue across all operating and support functions:
• The operational measures were chosen as they represent the key drivers of financial performance (underlying EBITDA) of the Company and provide a framework for delivering long term shareholder value, irrespective of the iron ore price
• The inclusion of a people and culture metric recognises the importance of supporting the Company's differentiated culture underpinned by its core Values, which is fundamental to corporate success
• Individual KPIs focus on critical objectives and are set at stretch levels of performance with measures and weightings aligned to the individual's ability to influence outcomes such as the delivery of a project and business expansion.</td><td>The Board set a number of challenging targets specific to Fortescue Energy including safety, delivery of projects in Australia and globally, as well as Decarbonisation and Commercialisation across all operating and support functions:
• The measures were chosen as they represent the key drivers of financial performance and provide a framework for delivering long term shareholder value
• The inclusion of a people and culture metric recognises the importance of supporting a culture which is fundamental to success in Australia and globally
• Similar to Metals, individual KPIs focus on critical objectives and are set at stretch levels of performance with measures and weightings aligned to the individual's ability to influence outcomes such as the delivery of a project and business expansion.</td></tr>
</table>

<table>
<tr><th>Element</th><th>Description</th></tr>
<tr><td>Target setting</td><td>Fortescue sets challenging ESSIP stretch targets and uses a sliding scale for each individual objective with vesting available for threshold, target and stretch levels of performance. The sliding scale does not apply to safety objectives which are either met or not met. When deliberating on performance outcomes, the Board considers the level of achievement against targets and may approve a stretch award on each KPI to reflect the degree of performance by the business. Whilst each individual KPI has the opportunity to achieve stretch levels of performance, the overall outcome is capped at 100 per cent.
<table>
<tr><th>Performance</th><th>% of Target achieved</th><th>% of Target awarded</th></tr>
<tr><td>Below threshold</td><td><90% of Target</td><td>Nil</td></tr>
<tr><td>Threshold</td><td>90% of Target</td><td>10</td></tr>
<tr><td>Between threshold and target</td><td>95% of Target</td><td>50</td></tr>
<tr><td>Target</td><td>100% of Target</td><td>100</td></tr>
<tr><td>Stretch</td><td>≥120% of Target</td><td>150</td></tr>
<tr><td colspan="3">Outcomes between performance levels are calculated on a linear basis.</td></tr>
</table></td></tr>
<tr><td>Board discretion</td><td>Awards under the ESSIP are at all times subject to the Board's discretion. When deliberating on performance outcomes, the Board follows a rigorous assessment process including:
• The degree of stretch in the measures and targets and the context in which the targets were set
• The level of achievement against the stretch targets
• The operating environment over the performance period and management's ability to respond to unforeseen events (i.e. cyclones, floods, fire, pandemic)
• Financial performance and shareholder value generated
• Global competitiveness and level of improvement compared to global peers during the period;
• The level of improvement across key business drivers on the prior year; and
• Any other relevant under or over performance or other criteria not stated above including how results have been achieved.
In circumstances where performance against stretch targets is not accurately reflected in the level of achievement against stretch targets (whether under or over), the Board may exercise its discretion to increase or decrease the vesting level of the incentive and therefore the value awarded. This exercise of discretion and the reasons for it will be clearly communicated in our Remuneration Report.</td></tr>
</table>

B. LTIP

The LTIP operates under the Performance Rights Plan Rules as approved by Shareholders at the Company's Annual General Meeting on 9 November 2021. The key terms of the FY24 LTIP are set out in the table below.

Responding to feedback for improved disclosure, Strategic Measures for all 'on-foot' LTIP grants (FY22, FY23 and FY24) are now included in the Remuneration Report. The strategic measures and outcomes for the FY22 grant are outlined in section 5, and the strategic measures for the FY23 and FY24 LTIP are provided immediately below the FY24 LTIP key terms table.

KEY TERMS OF THE FY24 LTIP:

Element	Description
Delivery	**Share rights** Each share right entitles Executives (subject to achievement of the performance conditions) to one fully paid ordinary share in Fortescue for nil consideration.
Performance period	Three years
Performance measures – summary	The relative weighting between financial and strategic measures provides the ability to assess performance across a cyclical market. The inclusion of strategic measures is deliberate to ensure alignment between short and long-term value creation by ensuring long-term value is not compromised. **Performance measure breakdown**  Total Shareholder Return (33%) Return on Equity (33%) Key Strategic Measures (34%) Each LTIP performance measure has a minimum performance hurdle for vesting with increasing levels applicable to each individual measure. There is an ability to earn up to 150 per cent of any individual measure by achieving stretch performance. Each individual measure contributes to the overall result with vested rights awarded based on the aggregate of the three measures. **A number of key changes will be implemented for FY25, including the removal of the ability to earn up to 150 per cent on any individual measure, and the removal of ROE as a performance measure.** Vesting between performance levels is calculated on a linear basis with the stretch element considered together with the achievement of all performance measures and subject to the aggregate performance cap. Whilst each individual performance measure includes stretch targets, with a relative contribution on any individual measure of up to 150 per cent, the overall cap for the LTIP is 100 per cent of the maximum number of share rights granted.
Performance and vesting conditions	**Relative TSR performance measure** Relative TSR is a measure of the performance of the Company's shares over a three year period against the ASX 100 Resources Index. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as a percentage. Relative TSR hurdles are valuable because the Company needs to outperform a peer group of participants to receive any reward and therefore, is aligned to relative market performance. The comparator group for the FY24 grant comprises the companies in the ASX 100 Resources Index. The ASX 100 Resources Index has been chosen as the comparator group because this is a transparent market indicator, includes Fortescue's ASX Listed commodity market peers and represents the peer group that Fortescue competes with for investment. When formulating the vesting schedule for the TSR performance measure, the Board considered both local and international market practice. In line with the Company's approach to setting stretch targets, the Board determined that a vesting schedule more aggressive than standard market practice was required in order to align executive reward for this performance measure with superior shareholder returns. The vesting criteria for both threshold and target have been set at the 60th percentile and 80th percentile (respectively), higher than standard market practice. The plan also provides for a premium grant of awards (subject to the cap described above) where Fortescue delivers the market leading total shareholder return over the performance period. The TSR vesting schedule is as follows:

Element	Description

Performance and vesting conditions (continued)

LTIP TSR target and vesting schedule

Performance	Average TSR	Portion of tranche that vests
Below threshold	Below the 60th percentile	Nil
Threshold	At the 60th percentile	25% of share rights vest
Target	At the 80th percentile	100% of share rights vest
Stretch	At the 100th percentile	150% of share rights vest
Outcomes between performance levels are calculated on a linear basis.		

The Board acknowledge that a relative TSR hurdle can result in unintended outcomes. The intent is to ensure no windfall gains or undue penalty. In the event that TSR is negative, but the relative TSR hurdle is achieved, the Board will consider overall performance and circumstances and may, at its absolute discretion, reduce the level of vesting or determine that no award will be made with respect to the TSR measure.

ROE performance measure

ROE has been used as a measure in Fortescue's LTIP for some time now and measures how effectively management is using Fortescue's assets to create profits.

The ROE vesting schedule is as follows:

LTIP ROE target and vesting schedule

Performance	ROE	Portion of tranche that vests
Below threshold	<25%	Nil
Threshold	25%	25% of share rights vest
Target	30%	100% of share rights vest
Stretch	>35%	150% of share rights vest
Outcomes between performance levels are calculated on a linear basis.		

Strategic Measures

Strategic measures are aimed at directing performance toward the achievement of the Company's long-term strategic objectives and not focusing on annual short-term goals alone. The strategic objectives devised by the Board specifically relate to key milestones and objectives that are fundamental to the Company's sustainability, continuing development and growth and delivery of shareholder value.

In line with the recommendations of the People, Remuneration and Nomination Committee, the LTIP performance measures comprise strategic measures with associated key performance indicators for the Company aimed at directing performance towards the Company's long-term objectives (Strategic Objectives).

In response to feedback, a more fulsome disclosure of the strategic measures has been included. The strategic measures for the FY24 grant are set out below.

Whether a strategic objective has been achieved is measured at the end of the three-year performance period on an outcome basis (and subject to Board discretion) with vesting as follows:

LTIP Strategic Measure target and vesting schedule

Performance	Score	Portion of tranche that vests
Below threshold	<5	Nil
Threshold	5	25% of share rights vest
Target	10	100% of share rights vest
Stretch	15	150% of share rights vest

Board discretion

Awards under the LTIP are at all times subject to the Board's absolute discretion.

FY23 LTIP STRATEGIC MEASURES

The table below summarises Strategic Measures for the FY23 LTIP. For other key terms relating to the FY23 LTIP please refer to Fortescue's FY23 Annual Report.

Fortescue shared measures	
Decarbonisation Endorsed at least 1.5GW of combined wind and solar capacity and have commenced construction of the first tranche of this renewables capacity. Endorsed the zero emissions solutions plan for Fortescue's entire mining fleet (excavators, drills and trucks), including supporting charging and maintenance infrastructure, and commenced implementation by securing at least 45 per cent of requisite mining fleet. Deliver the first electric haul trucks developed by Fortescue's Green Fleet team in conjunction with WAE (now Fortescue Zero) and Liebherr to at least one Fortescue site. Fortescue remaining on track to deliver the Board approved US$6.2 billion (real basis) capital expenditure decarbonisation programme.	
Fortescue Metals	**Fortescue Energy**
Green Metal Commenced the construction of a green demonstration plant facility, whether wholly owned or through a partnership, for at least one emerging green metal-making technology	**Green Industry** Six products in production which can directly contribute to the decarbonisation of Fortescue and should be suitable for competitive sale in the open market
Belinga Iron Ore Development Identified a target resource of at least 2 billion tonnes of Iron Ore Progressed the study for the broader development of the Belinga Project to be in a position to take a final investment decision	**Projects** Two green energy projects to commissioning phase by June 2025 in line with Board approved scope, budget, and timeframes **Gender Diversity** 40% female representation in Manager roles and above across the Energy organisation
Pilbara Iron Ore Continue to develop initiatives that enhance the iron ore resource base, including delivery of the exploration program, implementation of beneficiation technologies, acquisitions and accessing inventory	**Revenue** Achieve revenue target cumulatively calculated over the performance period

FY24 LTIP STRATEGIC MEASURES

To further support the evolution of the One Fortescue operating model, and to simplify and align all executives to a single long-term vision, the LTIP has transitioned from separate scorecards for our Metals and Energy businesses to one single Fortescue scorecard for FY24 onwards. The table below summarises Strategic Measures for the FY24 LTIP.

Fortescue
Pilbara Iron Ore Create a pathway for an incremental 200Mt of iron ore inventory through submitted referrals/approvals so that the tonnes are available to be scheduled as part of the Fortescue Life of Mine Plan, subject to Native Title Party resourcing.
Metals Growth Belinga Iron Ore Project Complete scoping study and progress pre-feasibility in line with Board approved parameters Critical Minerals Critical minerals activities progressed with a pipeline of exploration and advanced development projects in Copper, Lithium and / or Rare Earth Elements (REEs).
Energy Achieved three value accretive green energy projects with construction complete and commissioning commenced in line with Board approved scope, budget and timeframe.
Technology Fortescue WAE (now Fortescue Zero) to achieve EBITDA target. Fortescue Hydrogen Systems to achieve EBITDA target. >15 AI projects delivered with target ROI over three years, and >500 people trained in advanced machine learning.
Fortescue Capital Build the Fortescue Capital team and brand to serve as a catalyst for the business for green hydrogen and decarbonisation and to market specific investment opportunities generated by Metals or Energy.

C. GENERAL TERMS APPLYING TO EQUITY AWARDS

The occurrence of particular events may affect the grant and vesting of the ESSIP and LTIP equity awards. The table below outlines how these awards may be addressed, noting that the Board at all times maintains an overriding and absolute discretion with respect to the incentive plans:

Element	ESSIP	LTIP
What happens on cessation of employment	Unless the Board exercises its discretion under the ESSIP rules, for individuals who leave during the year (i.e. before 30 June) the ESSIP is pro-rated based on service during the period, and made at the usual payment date, which is around September of each year, post release of audited and approved full year results. Individuals who commence during the year similarly will have awards under the ESSIP pro-rated based on service during the performance period.	Unless the Board exercises its discretion under the plan rules, on cessation participants may be entitled to retain a pro rata portion of unvested performance rights, which may vest, subject to satisfaction of the applicable vesting conditions, in accordance with the original terms of their grant at the end of the vesting period.
Clawback policy	Fortescue operates a Clawback policy which applies to both the ESSIP and LTIP. Clawback will be initiated where in the opinion of the Board: • a participant has engaged in fraud, dishonesty or gross misconduct, breached his or her obligations to the Group or there is a material misstatement of financial information • an Award, which would not have otherwise vested, vests or may vest as a result of the fraud, dishonesty or breach of obligations of any other person • circumstances have occurred that result in an unfair benefit being obtained by any participant. The Board's discretion, with respect to the operation of the Clawback Policy, is considered standard market practice and an appropriate mechanism to ensure the Board has sufficient flexibility to respond to changing or unexpected circumstances (should they arise).	
Change of control	The performance period end date will generally be brought forward to the date of the change of control and awards will vest over this shortened period, subject to ultimate Board discretion.	

7. EXECUTIVE CONTRACT TERMS

Executive KMP are employed on a rolling basis with no specified fixed term. All current KMP, with the exception of the Executive Director, are required to provide written notice of twelve months (as specified in their individual service agreement) to terminate their employment. Contractual termination benefits for KMP comply with the limits set by the *Corporations Act 2001*.

KMP are remunerated on a TFR basis inclusive of superannuation and allowances. The table below details the remuneration for KMP for FY24.

			Maximum ESSIP opportunity		Maximum LTIP opportunity		
Position	**Executive**	**TFR (A$)[1]**	**% of TFR**	**A$**	**% of TFR**	**A$**	**Nominal value of total remuneration package at maximum opportunity A$**
Executive Director and Fortescue Global Ambassador	E Gaines[2]	500,000	-	-	-	-	**500,000**
Fortescue Metals CEO	D Otranto[3]	1,750,000	112.5	1,968,750	150	2,625,000	**6,343,750**
Fortescue Energy CEO	M Hutchinson	2,080,000	112.5	2,340,000	150	3,120,000	**7,540,000**
Group CFO	A Paget[4]	840,000	75	525,000	100	700,000	**2,065,000**
Chief Corporate Officer	S Robertson[5]	725,000	75	543,750	100	725,000	**1,993,750**
Fortescue Metals CEO	F Hick[6]	2,080,000	112.5	2,340,000	150	3,120,000	**7,540,000**
Fortescue Metals CFO	C Morris[7]	1,150,000	75	862,500	100	1,150,000	**3,162,500**

The Executive Chairman does not receive a salary or participate in any incentive plans and as such has not been included in the table.

[1] Includes superannuation and allowances. TFR is reviewed annually by the People, Remuneration and Nomination Committee. [2] E Gaines' remuneration was updated effective 1 May 2024 to reflect a reduction in time commitment as an Executive Director and Global Ambassador.

[3] D Otranto was appointed to the role of Fortescue Metals CEO on 28 August 2023. Prior to that Mr Otranto served as COO Metals.

[4] A Paget was appointed to the role of Fortescue Metals CFO on an acting basis from 1 September 2023. Ms Paget was subsequently appointed to the role of Group Chief Financial Officer on an acting basis with effect from 21 February 2024. The TFR value in the above table is based on Ms Paget's substantive role as at 30 June 2024, being Deputy CFO, inclusive of a higher duties allowance for acting in the role of Group CFO. Higher duties allowances are excluded from TFR for the purposes of calculating ESSIP and LTIP opportunity. In July 2024 Ms Paget was appointed to the Group Chief Financial Officer role on a permanent basis.

[5] S Robertson was appointed to the role of Chief Corporate Officer on 1 October 2023. In July 2024 it was announced that Ms Robertson was appointed to the role of Chief Operating Officer.

[6] F Hick resigned as Fortescue Metals CEO on 28 August 2023 with her last day of employment being 28 February 2024. Ms Hick remained employed by the company during her six month notice period.

[7] C Morris departed Fortescue on 31 August 2023.

8. NON-EXECUTIVE DIRECTOR REMUNERATION

A. NED REMUNERATION POLICY AND FEES

Fortescue's policy on Non-Executive Director (NED) remuneration requires that NED fees are:

- Not 'at risk' to reflect the nature of their responsibilities and safeguard their independence; and
- Market competitive with fees set at levels comparable with NED remuneration of comparable companies.

The maximum aggregate remuneration payable to NEDs is A$4.5 million, which was approved by shareholders at the Annual General Meeting on 22 November 2022.

Most NEDs receive fees for both Board and Committee membership. The payment of additional fees for serving on a Committee recognises the additional time commitment required by NEDs who serve on a Committee.

Position	Fee A$
Deputy Chair and Lead Independent Director	1,265,000[1]
Non-Executive Director	230,000
Audit, Risk Management and Sustainability Committee (ARMSC) Chair	65,000
ARMSC Member	30,000
Remuneration and People Committee (RPC) Chair	65,000
RPC Member	30,000
Finance Sub-Committee Member	12,000
Australia FFI Advisory Board Fee[2]	184,000
Fortescue Capital Advisory Board Fee[3]	184,000
Nomination Committee Member	-

[1] Inclusive of Committee membership fees.
[2] The Australia FFI Advisory Board concluded in January 2024.
[3] The Fortescue Capital Advisory Board was established in November 2023.

NEDs do not receive retirement benefits, nor do they participate in any incentive programs of the Company.

B. NED SALARY SACRIFICE SHARE RIGHTS PLAN

NEDs may choose to sacrifice a portion or all of their base fees (excluding Committee fees and Company superannuation contributions) to be used to acquire vested rights to Fortescue shares under the Non-Executive Director Salary Sacrifice Share Rights Plan.

Shares, to the gross value of the amount salary sacrificed, are purchased on market twice a year following the announcement of Fortescue's half and full year results in February and August.

The VWAP purchased is used to determine the number of vested rights to be allocated to Non-Executive Directors. Vested rights may be exercised at any time, up to 15 years from date of grant.

Shares will be held by Pacific Custodians (as Trustee) until the vested rights are exercised into shares. Vested rights and shares acquired under this Plan are not subject to performance conditions because they are issued in lieu of salary which would otherwise be payable to the relevant Non-Executive Director.

C. NED TRAVEL ALLOWANCE

A NED Travel Allowance was introduced in FY24 to recognise the increasingly global footprint of Fortescue, the geographic spread of directors, and as a mechanism to attract global candidates for director positions. This allowance does not apply to the Chair, Deputy Chair, or Executive Director. The allowance applies to attendance at Board meetings only and is limited to international travel. The amount payable depends on flight duration (one-way). For international flights greater than five hours but less than 10 hours the allowance is A$7,500 and for international flights of more than 10 hours the allowance is A$15,000, with only one allowance paid per round trip.

9. REMUNERATION GOVERNANCE

Fortescue believes that robust governance is critical to underpinning the effectiveness of the remuneration strategy.

A. REMUNERATION AND PEOPLE COMMITTEE

The Remuneration and People Committee (RPC) operates under a Board-approved Charter. The purpose of the RPC is to provide assistance and recommendations to the Board to ensure that it is able to fulfil its responsibilities.

The RPC in FY24 consisted solely of non-executive directors. The chief executive officer and others may be invited to attend all or part of meetings by the RPC Chair as required but have no vote on matters before the Committee.

A copy of the RPC Charter is available from the Corporate Governance section of our website at **fortescue.com**

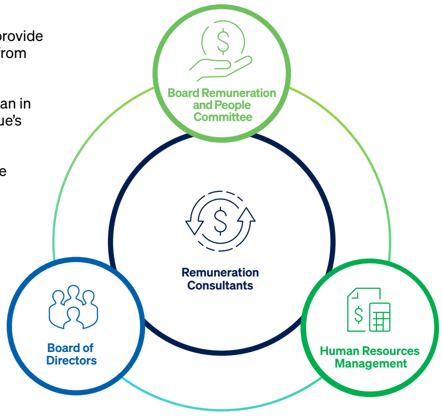
REMUNERATION CONSULTANTS

- May be engaged directly by the Board or RPC to provide advice or information relating to KMP that is free from influence of management.
- Will be engaged directly by management other than in respect of KMP to provide data to ensure Fortescue's remuneration position remains competitive.

During the year ended 30 June 2024, the Committee sought advice from remuneration consultants from time to time for remuneration advisory services. This did not involve providing the RPC with any remuneration recommendations as defined by the *Corporations Act 2001*.

BOARD OF DIRECTORS

- Approve the remuneration of Non-Executive Directors and CEO
- Ensure remuneration practices are competitive and strategic and align with the attraction and retention policies of the Company



BOARD REMUNERATION AND PEOPLE COMMITTEE

Advise the Board on:

- Remuneration strategy, policies and practices
- NED and senior executive remuneration
- Committee member appointments
- Senior executive recruitment and the Company's recruitment, ESSIP, LTIP, retention and termination policies and annual performance reviews
- Succession planning and talent management
- Diversity strategy and gender pay equity

HUMAN RESOURCES MANAGEMENT

- Implement of remuneration policies and practices
- Advise the RPC of changing statutory and market conditions
- Provide relevant information to the RPC to assist with decisions

B. MINIMUM SHAREHOLDING CONDITIONS

All Directors and employees are encouraged to own Fortescue shares and the Company enables employee participation as a shareholder through short and long-term incentives, salary sacrifice and dividend reinvestment programs.

A minimum shareholding policy applies to directors and executives to support a long-term focus and further strengthen alignment with shareholders. The minimum shareholding required is as follows:

Non-Executive Directors:	100% of annual base fee
CEO[1]:	200% of total fixed remuneration
Other Executive KMP:	100% of total fixed remuneration

[1] Applies to both Fortescue Metals and Fortescue Energy CEOs.

Participants are required to meet their respective minimum shareholding within a reasonable timeframe, generally within five years from the effective date of the policy, or the date of their appointment, if later.

The Directors' and Executives' Shareholding Policy can be accessed from the Corporate Governance section of our website at **fortescue.com**

C. BOARD DISCRETION

The committee and the Board consider it critical that they are able to exercise full and appropriate discretion in order to ensure that remuneration outcomes for executives appropriately reflect the performance of individuals, the Group, and meet the expectations of shareholders.

D. SECURITIES TRADING POLICY

Fortescue's Securities Trading Policy provides guidance on how Company securities may be dealt with. The Securities Trading Policy details acceptable and unacceptable periods for trading in Company Securities including detailing potential civil and criminal penalties for misuse of confidential information.

Fortescue's Securities Trading Policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options.

The policy also sets out a specific governance approach for how the Chairman and directors can deal in Company Securities. The Company's Securities Trading Policy can be accessed from the Corporate Governance section of our website at **fortescue.com**

10. STATUTORY DISCLOSURES

Statutory remuneration disclosures are prepared in accordance with Australian Accounting Standards and include share based payments expensed during the financial year, calculated in accordance with AASB 2 Share based payments. The estimated fair value for ESSIP and LTIP performance rights was determined using an option pricing model as disclosed in note 18 of the Financial Report.

A. EXECUTIVE REMUNERATION

Statutory remuneration differs significantly from actual remuneration paid to executives due to the accounting treatment of share-based payments. For details of remuneration actually paid to the Chief Executive Officers and Executives in FY24 refer to Section 5. The tables below include statutory remuneration disclosures for FY24 and FY23. Disclosures are provided in USD and AUD.

US$		Short-term employee benefits				Post employment benefits	Termination benefits	Long-term employee benefits	Share-based payments		Total statutory remuneration
		Cash salary and fees	ESSIP cash value for plan year	Other cash payment	Non-monetary benefits	Superannuation	Other cash payment	Accrued annual and long service leave	ESSIP share value	LTIP share value	Total
Executive Directors											
A Forrest	FY24	-	-	-	5,925	-	-	-	-	-	5,925
	FY23	-	-	-	-	-	-	-	-	-	-
E Gaines	FY24	727,894	-	-	203	18,033	-	-	-	(53,138)[7]	692,991
	FY23	230,444	-	1,331,132	19,230	3,088	-	15,718	-	123,764	1,723,376
Other Key Management Personnel of Fortescue											
D Otranto	FY24	1,008,552	-	-	2,728	18,033	-	36,725	1,005,773	644,129	2,715,940
	FY23	848,799	-	-	623	18,525	-	35,692	680,519	304,560	1,888,718
M Hutchinson	FY24	1,345,947	-	-	45,781	18,033	-	125,810	833,537	937,441	3,306,549
	FY23	1,320,924	644,178	-	24,579	18,154	-	101,767	760,843	460,164	3,330,609
A Paget[1]	FY24	374,139	101,979	-	2,088	15,028	-	40,180	113,814	105,810	753,038
	FY23	-	-	-	-	-	-	-	-	-	-
S Robertson[2]	FY24	343,044	-	-	-	13,525	-	31,126	222,131	-	609,826
	FY23	-	-	-	-	-	-	-	-	-	-
F Hick[3]	FY24	211,350	-	-	1,472	13,525	1,359,027	20,886	-	(404,815)	1,201,445
	FY23	465,850	-	-	329	8,892	-	42,911	596,312	415,859	1,530,153
C Morris[4]	FY24	122,682	-	-	4,626	4,508	250,395	11,423	-	-	393,634
	FY23	-	-	-	-	-	-	-	-	-	-
J Shuttleworth[5]	FY24	-	-	-	-	-	-	-	-	-	-
	FY23	68,327	-	-	-	1,603	-	6,639	-	28,636	105,205
I Wells[6]	FY24	-	-	-	-	-	-	-	-	-	-
	FY23	431,965	-	673,650	7,711	12,780	-	63,732	-	(441,199)	748,639

Remuneration values have been translated from Australian dollars to US dollars using an average exchange rate of 0.67365 for FY23 and 0.65576 for FY24.

A$		Short-term employee benefits				Post employment benefits	Termination benefits	Long-term employee benefits	Share-based payments		Total statutory remuneration
		Cash salary and fees	ESSIP cash value for plan year	Other cash payment	Non-monetary benefits	Superannuation	Other cash payment	Accrued annual and long service leave	ESSIP share value	LTIP share value	Total
Executive Directors											
A Forrest	FY24	-	-	-	9,035	-	-	-	-	-	9,035
	FY23	-	-	-	-	-	-	-	-	-	-
E Gaines	FY24	1,110,000	-	-	309	27,500	-	-	-	(81,032)[7]	1,056,776
	FY23	342,083	-	1,976,000	28,546	4,583	-	23,333	-	183,721	2,558,266
Other Key Management Personnel of Fortescue											
D Otranto	FY24	1,537,989	-	-	4,159	27,500	-	56,004	1,533,752	982,263	4,141,667
	FY23	1,260,000	-	-	925	27,500	-	52,983	1,010,196	452,104	2,803,708
M Hutchinson	FY24	2,052,500	-	-	69,813	27,500	-	191,854	1,271,101	1,429,549	5,042,318
	FY23	1,960,847	956,250	-	36,486	26,949	-	151,069	1,129,434	683,091	4,944,126
A Paget[1]	FY24	570,542	155,512	-	3,185	22,917	-	61,273	173,561	161,355	1,148,344
	FY23	-	-	-	-	-	-	-	-	-	-
S Robertson[2]	FY24	523,125	-	-	-	20,625	-	47,465	338,739	-	929,955
	FY23	-	-	-	-	-	-	-	-	-	-
F Hick[3]	FY24	322,298	-	-	2,245	20,625	2,072,446	31,850	-	(617,322)	1,832,142
	FY23	691,532	-	-	488	13,199	-	63,700	885,195	617,322	2,271,435
C Morris[4]	FY24	187,083	-	-	7,055	6,875	381,840	17,419	-	-	600,272
	FY23	-	-	-	-	-	-	-	-	-	-
J Shuttleworth[5]	FY24	-	-	-	-	-	-	-	-	-	-
	FY23	101,429	-	-	-	2,380	-	9,856	-	42,509	156,173
I Wells[6]	FY24	-	-	-	-	-	-	-	-	-	-
	FY23	641,231	-	1,000,000	11,446	18,972	-	94,606	-	(654,938)	1,111,317

[1] A Paget was appointed to the role of Fortescue Metals CFO on an acting basis from 1 September 2023 and is considered a KMP from that date.

[2] S Robertson commenced employment on 1 October 2023.

[3] F Hick resigned as Fortescue Metals CEO with her last day of employment being 28 February 2024. Ms Hick remained employed by the company during her six month notice period with remuneration received during this period shown under the termination payment. Following the conclusion of her employment, Ms Hick was paid amount equivalent to 6 months' pay, noting the company elected to impose Ms Hick's post-employment restraint. This value also shown under termination payment.

[4] C Morris departed Fortescue on 31 August 2023, on cessation of employment she received a payment of A$297,500 in lieu of her three month notice period and a payment of A$94,340 to assist with relocation to the United States of America. These values are shown under the termination benefits column.

[5] J Shuttleworth ceased to be a KMP from 4 August 2022. The values in the above table for FY23 reflect remuneration up to that date.

[6] I Wells ceased to be a KMP from the date of his cessation of employment on 31 January 2023. The values in the above table for FY23 reflect remuneration up to that date.

[7] Negative value relates to reversal of prior year accruals..

B. NED REMUNERATION

The remuneration of NEDs for the year ended 30 June 2024 and 30 June 2023 is detailed below.

US$		Base fees	Committee fees	Other benefits[1]	Superannuation	Total
M Barnaba AM	FY24	811,503	-	764	18,033	**830,300**
	FY23	833,642	-	-	18,525	**852,167**
Dr J Baderschneider[2]	FY24	150,825	130,278	34,427	-	**315,530**
	FY23	154,940	144,161	-	-	**299,101**
P Bingham-Hall	FY24	138,517	64,441	20,437	18,033	**241,428**
	FY23	140,831	44,086	-	18,525	**203,442**
Lord S Coe CH, KBE	FY24	150,825	19,673	19,673	-	**190,171**
	FY23	154,940	-	-	-	**154,940**
E Gaines[3]	FY24	-	-	-	-	**-**
	FY23	126,310	32,950	535,441	15,438	**710,139**
J Morris OAM	FY24	-	-	-	-	**-**
	FY23	141,829	58,852	-	18,525	**218,936**
Y Li	FY24	150,825	-	35,191	-	**186,016**
	FY23	172,945	-	-	-	**172,945**
Dr Y Zhang	FY24	-	-	-	-	**-**
	FY23	64,558	-	-	-	**64,558**
Dr L Marshall	FY24	114,349	14,915	20,437	16,383	**166,084**
	FY23	-	-	-	-	**-**
U Rao-Monari	FY24	100,550	18,361	9,836	-	**128,747**
	FY23	-	-	-	-	**-**

Remuneration values have been translated from Australian dollars to US dollars using an average exchange rate of 0.67365 for FY23 and 0.65576 for FY24.

A$		Base fees	Committee fees	Other benefits[1]	Superannuation	Total
M Barnaba AM	FY24	1,237,500	-	1,165	27,500	**1,266,165**
	FY23	1,237,500	-	-	27,500	**1,265,000**
Dr J Baderschneider[2]	FY24	230,000	198,667	52,500	-	**481,167**
	FY23	230,000	214,000	-	-	**444,000**
P Bingham-Hall	FY24	211,231	98,269	31,165	27,500	**368,165**
	FY23	209,056	65,444	-	27,500	**302,000**
Lord S Coe CH, KBE	FY24	230,000	30,000	30,000	-	**290,000**
	FY23	230,000	-	-	-	**230,000**
E Gaines[3]	FY24	-	-	-	-	**-**
	FY23	187,501	48,913	794,836	22,917	**1,054,167**
J Morris OAM	FY24	-	-	-	-	**-**
	FY23	210,538	86,962	-	27,500	**325,000**
Y Li	FY24	230,000	-	53,665	-	**283,665**
	FY23	256,728	-	-	-	**256,728**
Dr Y Zhang	FY24	-	-	-	-	**-**
	FY23	95,833	-	-	-	**95,833**
Dr L Marshall	FY24	174,376	22,745	31,165	24,983	**253,268**
	FY23	-	-	-	-	**-**
U Rao-Monari	FY24	153,333	28,000	15,000	-	**196,333**
	FY23	-	-	-	-	**-**

[1] Other benefits includes the Non-Executive Director travel allowance and reportable fringe benefits.

[2] Jean Baderschneider committee fees include the FFI Board Fee which recognises additional commitments associated with FFI subsidiary Board responsibilities and Fortescue Capital Advisory Board Fee.

[3] Elizabeth Gaines transitioned to an Executive Director role effective July 2023.

C. DETAILS OF PERFORMANCE GRANTS TO EXECUTIVE DIRECTORS

There were no performance rights granted to Executive Directors in FY24.

D. DETAILS OF SHARE-BASED PAYMENTS RELATING TO LTIP

The following table provides details of the number of share rights granted under the LTIP during the financial years ended 30 June 2021 to 30 June 2023. The value of the rights has been determined using the grant date fair value.

LTIP Plan	Grant date	Performance period	No. share rights granted	Value per share right granted		Value of rights granted at grant date		% Performance achieved	% Vested	No. Vested	Forfeited / lapsed
				US$	A$	US$	A$				
E Gaines[1]											
FY22	9/11/2021	1/7/21 to 30/6/2024	132,338	6.23	8.42	824,466	1,114,286	81.3	31.6	41,840	90,498
FY23	-	-	-	-	-	-	-	-	-	-	-
FY24	-	-	-	-	-	-	-	-	-	-	-
D Otranto											
FY22	22/11/2021	1/7/21 to 30/6/2024	48,602	6.76	9.28	328,550	451,027	81.3	81.3	39,513	9,089
FY23	7/12/2022	1/7/22 to 30/6/2025	75,883	8.03	11.93	609,340	905,284	Determined in 2025			
FY24	4/12/2023	1/7/23 to 30/6/2026	95,578	10.41	15.77	994,967	1,507,265	Determined in 2026			
FY24[2]	29/04/2024	1/7/23 to 30/6/2026	19,884	11.07	16.91	220,116	336,238	Determined in 2026			
M Hutchinson											
FY22	-	-	-	-	-	-	-	-			
FY23	7/12/2022	1/7/22 to 30/6/2025	176,814	7.80	11.59	1,379,149	2,049,274	Determined in 2025			
FY24	4/12/2023	1/7/23 to 30/6/2026	142,002	10.41	15.77	1,478,241	2,239,372	Determined in 2026			
A Paget											
FY22	-	-	-	-	-	-	-	-			
FY23	-	-	-	-	-	-	-	-			
FY24	4/12/2023	1/7/23 to 30/6/2026	12,194	10.41	15.77	126,940	192,299	Determined in 2026			
FY24[3]	29/04/2024	1/7/23 to 30/6/2026	17,254	11.07	16.91	191,002	291,765	Determined in 2026			
S Robertson											
FY22	-	-	-	-	-	-	-	-			
FY23	-	-	-	-	-	-	-	-			
FY24	-	-	-	-	-	-	-	-			

LTIP Plan	Grant date	Performance period	No. share rights granted	Value per share right granted		Value of rights granted at grant date		% Performance achieved	% Vested	No. Vested	Forfeited / lapsed
				US$	A$	US$	A$				
I Wells[4]											
FY22	22/11/2021	1/7/21 to 30/6/2024	46,319	6.76	9.28	313,116	429,840	-	-	-	46,319
FY23	7/12/2022	1/7/22 to 30/6/2025	66,278	8.03	11.93	532,212	790,697	-	-	-	66,278
FY24	-	-	-	-	-	-	-	-	-	-	-
F Hick[5]											
FY22	-	-	-	-	-	-	-	-	-	-	-
FY23	3/04/2023	1/7/22 to 30/6/2025	143,452	8.76	12.91	1,256,640	1,851,965	-	-	-	143,452
FY24	-	-	-	-	-	-	-	-	-	-	-

The Executive Chairman does not receive a salary or participate in any incentive plans and as such has not been included in the table.

[1] E Gaines remains eligible to participate in the FY22 LTIP on a pro-rata basis. The vesting outcome of 31.6% includes the lapsing of a pro-rata proportion of rights on cessation of employment.

[2] D Otranto received an additional LTIP grant in FY24 to recognise an increase in participating TFR in the performance period.

[3] A Paget received an additional LTIP grant in FY24 to recognise an increase in participating percentage and TFR in the performance period.

[4] I Wells did not remain eligible to participate in any outstanding LTIP grants and as such all unvested performance rights lapsed.

[5] F Hick did not remain eligible to participate in any outstanding LTIP grants and as such all unvested performance rights lapsed.

E. KMP SHARE RIGHTS

Share rights granted under the ESSIP at the beginning of FY24 (granted at the VWAP for Fortescue shares traded over the first five trading days of the performance year) based on the participants election of performance rights (ranging from a minimum of 50 per cent up to a maximum of 100 per cent). Share rights granted under the LTIP at the beginning of FY22 which vested in FY24 are shown below. The ultimate value of these share rights to the Executives will reflect either an improvement or decline in the Company's share price over the performance period. The adoption of this approach is specifically to ensure that awards made to Executives have a value which reflects sustainable value of shareholder's investment in the Company. The last column details the actual number of share rights that vested on actual performance.

FY22 LTIP and FY24 ESSIP share rights movement

Executive	Share rights granted	Share rights lapsed	Share rights forfeited	Share rights vested
E Gaines				
FY24 ESSIP	-	-	-	-
FY22 LTIP	132,338	90,498	-	41,840
M Hutchinson				
FY24 ESSIP	106,502	53,251	-	53,251
FY22 LTIP	-	-	-	-
D Otranto				
FY24 ESSIP	80,595	16,684	-	63,911
FY22 LTIP	48,602	9,089	-	39,513
A Paget				
FY24 ESSIP	9,240	2,163	-	7,077
FY22 LTIP	-	-	-	-
S Robertson				
FY24 ESSIP	18,527	4,336	-	14,191
FY22 LTIP	-	-	-	-

Share rights movement in FY24

Non-Executive Directors do not participate in Fortescue's incentive plans and do not hold unvested share rights. The movement during the reporting period in the number of options and share rights over ordinary shares in the Company held directly, indirectly or beneficially, by each of the KMP, including their related parties is as follows:

FY24	Balance at the start of the year	Granted	Exercised / converted	Forfeited / lapsed	Other	Balance at the end of the year	Vested	Unvested	Not exercisable
Executive Directors of Fortescue									
E Gaines	204,627	-	(147,920)	(5,243)	-	51,464	-	51,464	51,464
Other Key Management Personnel of Fortescue									
D Otranto	181,397	196,057	(50,409)	(6,503)	-	320,542	-	320,542	320,542
M Hutchinson	243,119	248,504	(56,359)	(9,946)	-	425,318	-	425,318	425,318
A Paget	5,258	40,240	(4,657)	(601)	-	40,240	-	40,240	40,240
S Robertson	-	18,527	-	-	-	18,527	-	18,527	18,527
C Morris	-	-	-	-	-	-	-	-	-
F Hick	190,305	-	(41,500)	(148,805)	-	-	-	-	-

F. KMP SHAREHOLDINGS

The numbers of shares in the Company held during the financial year by each Director and KMP, including their related parties, are set out below:

FY24	Held at 1 July 2023	Received on conversion of rights	Issued	Purchases	Sales	Transfers	Other	Held at 30 June 2024
Non-executive Directors of Fortescue								
M Barnaba AM	40,300	-	-	-	-	-	-	40,300
Dr J Baderschneider	138,000	-	-	-	-	-	-	138,000
P Bingham-Hall	59,861	-	-	2,496	-	-	-	62,357
Lord S Coe CH, KBE	5,000	-	-	5,000	-	-	-	10,000
Y Li	-	-	-	-	-	-	-	-
Dr L Marshall	-	-	-	1,900	-	-	100	2,000
U Rao-Monari	-	-	-	-	-	-	-	-
Executive Directors of Fortescue								
Dr A Forrest AO	1,131,365,000	-	-	-	-	-	-	1,131,365,000
E Gaines	341,294	147,920	-	-	(147,920)	-	-	341,294
Other Key Management Personnel of Fortescue								
D Otranto	378	50,409	-	207	(50,409)	-	-	585
M Hutchinson	19,114	56,359	-	2,207	-	-	-	77,680
A Paget	-	4,657	-	206	-	-	-	4,863
S Robertson	-	-	-	-	-	-	-	-
F Hick	-	41,500	-	139	(41,639)	-	-	-
C Morris	-	-	-	-	-	-	-	-

FINANCIAL REPORT

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	Note	2024 US$m	2023 US$m
Operating sales revenue	3	18,220	16,871
Cost of sales	5	(8,673)	(7,817)
Gross profit		**9,547**	9,054
Other income	4	45	53
Other expenses	6	(1,103)	(2,087)
Operating profit		**8,489**	7,020
Finance income	7	218	149
Finance expenses	7	(386)	(275)
Share of loss from equity accounted investments	22(c)	(21)	(8)
Profit before tax		**8,300**	6,886
Income tax expense	14	(2,636)	(2,090)
Net profit after tax		**5,664**	4,796
Net profit is attributable to:			
Equity holders of the Company		5,683	4,798
Non-controlling interest		(19)	(2)
Net profit after tax		**5,664**	4,796

	Note	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	8	184.8	156.0
Diluted earnings per share	8	184.4	155.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 US$m	2023 US$m
Net profit after tax	5,664	4,796
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of foreign operations	7	52
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Gain on investments taken to equity	16	4
Other comprehensive income, net of tax	**23**	56
Total comprehensive income for the period, net of tax	**5,687**	4,852
Total comprehensive income for the period attributable to:		
Equity holders of the Company	5,706	4,854
Non-controlling interest	(19)	(2)
Total comprehensive income for the period, net of tax	**5,687**	4,852

The above consolidated income statement and consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Note	2024 US$m	2023 US$m
ASSETS			
Current assets			
Cash and cash equivalents	9(b)	4,903	4,287
Trade and other receivables	10(a)	654	520
Inventories	10(c)	1,527	1,189
Other current assets		81	89
Total current assets		**7,165**	6,085
Non-current assets			
Trade and other receivables		18	16
Inventories	10(c)	342	458
Property, plant and equipment	12(a)	21,682	20,974
Intangible assets	12(b)	388	299
Investments accounted for using the equity method	22(c)	260	260
Financial assets measured at fair value		104	77
Other non-current assets		101	49
Total non-current assets		**22,895**	22,133
Total assets		**30,060**	28,218
LIABILITIES			
Current liabilities			
Trade and other payables	10(b)	1,662	1,482
Borrowings and lease liabilities	9(a)	192	165
Provisions	13	508	445
Deferred income	10(d)	65	71
Current tax payable	14(c)	259	304
Total current liabilities		**2,686**	2,467
Non-current liabilities			
Borrowings and lease liabilities	9(a)	5,208	5,156
Provisions	13	1,026	1,063
Deferred income	10(d)	84	28
Deferred tax liabilities	14(d)	1,525	1,506
Total non-current liabilities		**7,843**	7,753
Total liabilities		**10,529**	10,220
Net assets		**19,531**	17,998
EQUITY			
Contributed equity	9(d)	1,077	1,044
Reserves	9(e)	175	170
Retained earnings		18,300	16,775
Equity attributable to equity holders of the Company		**19,552**	17,989
Non-controlling interest		(21)	9
Total equity		**19,531**	17,998

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 US$m	2023 US$m
Cash flows from operating activities			
Cash receipts from customers		18,341	16,849
Payments to suppliers and employees		(7,652)	(6,833)
Cash generated from operations		10,689	10,016
Interest received		238	144
Interest paid		(343)	(349)
Income tax paid		(2,665)	(2,379)
Net cash inflow from operating activities	**9(c)**	**7,919**	7,432
Cash flows from investing activities			
Payments for property, plant and equipment - Fortescue		(2,547)	(1,959)
Payments for property, plant and equipment - joint operations		(287)	(942)
Payments of deposits		(24)	–
Proceeds from loan (2023: receipt of contributions) from non-controlling interest		10	11
Receipt of government grants		54	–
Payments for acquisition of equity accounted investments		(30)	(221)
Purchase of financial assets		(17)	(59)
Other investing activities		30	55
Net cash outflow from investing activities		**(2,811)**	(3,115)
Cash flows from financing activities			
Repayment of borrowings		(10)	(760)
Repayment of leases		(135)	(138)
Finance costs paid		(38)	(30)
Dividends paid		(4,140)	(3,922)
Purchase of shares by employee share trust		(142)	(151)
Net cash outflow from financing activities		**(4,465)**	(5,001)
Net increase / (decrease) in cash and cash equivalents		643	(684)
Cash and cash equivalents at the beginning of the period		4,287	5,224
Effects of exchange rate changes on cash and cash equivalents		(27)	(253)
Cash and cash equivalents at the end of the period	**9(b)**	**4,903**	4,287

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Attributable to equity holders of the Company					
	Contributed equity US$m	Reserves US$m	Retained earnings US$m	Total US$m	Non-controlling interest US$m	Total equity US$m
Balance at 1 July 2022	1,053	109	16,175	17,337	8	17,345
Net profit after tax	–	–	4,798	4,798	(2)	4,796
Other comprehensive income	–	56	–	56	–	56
Total comprehensive income for the period, net of tax	–	56	4,798	4,854	(2)	4,852
Transactions with owners:						
Purchase of shares under employee share plans	(151)	–	–	(151)	–	(151)
Employee share awards vested	142	(142)	–	–	–	–
Equity settled share-based payment transactions	–	148	–	148	–	148
Acquisition of non-controlling interest	–	–	–	–	(8)	(8)
Contributions from non-controlling interests	–	–	–	–	11	11
Dividends declared	–	–	(4,199)	(4,199)	–	(4,199)
Other	–	(1)	1	–	–	–
Balance at 30 June 2023	1,044	170	16,775	17,989	9	17,998
Balance at 1 July 2023	**1,044**	**170**	**16,775**	**17,989**	**9**	**17,998**
Net profit after tax	–	–	5,683	5,683	(19)	5,664
Other comprehensive income	–	23	–	23	–	23
Total comprehensive income for the period, net of tax	**–**	**23**	**5,683**	**5,706**	**(19)**	**5,687**
Transactions with owners:						
Purchase of shares under employee share plans	(142)	–	–	(142)	–	(142)
Employee share awards vested	175	(175)	–	–	–	–
Equity settled share-based payment transactions	–	156	–	156	–	156
Return of contributions to non-controlling interests	–	–	–	–	(11)	(11)
Dividends declared	–	–	(4,158)	(4,158)	–	(4,158)
Other	–	1	–	1	–	1
Balance at 30 June 2024	**1,077**	**175**	**18,300**	**19,552**	**(21)**	**19,531**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Basis of preparation

Financial performance

Capital management

Key balance sheet items

Taxation

Unrecognised items

Other

BASIS OF PREPARATION

01 Basis of preparation

The financial statements cover the consolidated group comprising of Fortescue Ltd (formerly Fortescue Metals Group Ltd; the Company) and its subsidiaries, together referred to as Fortescue or the Group. The Company is a for-profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Stock Exchange.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), including Australian Interpretations, and the *Corporations Act 2001.*

The financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a Directors' resolution on 28 August 2024.

(a) Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States dollars, which is the Group's reporting currency and the functional currency of the Company and the majority of its significant subsidiaries.

(d) Critical accounting estimates

The preparation of financial statements requires management to use estimates, judgements and assumptions. Application of different assumptions and estimates may have a significant impact on Fortescue's net assets and financial results. Estimates and assumptions are reviewed on an ongoing basis and are based on the latest available information at each reporting date. Actual results may differ from the estimates.

The areas involving a higher degree of judgement and complexity, or areas where assumptions are significant to the financial statements are:

- Iron ore reserve estimates
- Exploration and evaluation expenditure - recoverable amount
- Development expenditure - recoverable amount
- Property, plant and equipment - recoverable amount
- Rehabilitation estimates
- Revenue
- Joint arrangements
- Fair value measurement of financial assets.

The accounting estimates and judgements applied to these areas are disclosed in note 24.

(e) Rounding of amounts

All amounts in the financial statements have been rounded to the nearest million dollars, except as indicated, in accordance with the ASIC Corporations Instrument 2016/191.

FINANCIAL PERFORMANCE

02 Segment information

Fortescue's chief operating decision makers are identified as the Chief Executive Officer of Fortescue Metals and the Chief Executive Officer of Fortescue Energy, and its segments are identified based on the internal reports that are reviewed and used by the Chief Executive Officers in assessing performance and determining the allocation of resources. The following operating segments have been identified:

- **Metals**: Exploration, development, production, processing, sale and transportation of iron ore, and the exploration for other minerals.
- **Energy**: Undertaking activities in the global development of green electricity, green hydrogen, green ammonia projects, as well as green technology development and manufacturing.

Corporate includes cash, intercompany loans which eliminate at consolidation, debt and tax balances which are managed at a Group level together with other corporate activities. Corporate is not considered to be an operating segment and includes activities that are not allocated to other operating segments.

Transfer prices between segments are set on an arm's length basis in a manner similar to transactions with third parties. Where segment revenue, expenses and results include transactions between segments, those transactions are eliminated on consolidation and are not considered material.

(a) Underlying EBITDA

Fortescue uses Underlying EBITDA defined as earnings before interest, tax, depreciation and amortisation, exploration, development and other expenses, and impairment expense, as a key measure of its financial performance. The reconciliation of Underlying EBITDA to the net profit after tax is presented below. The segment information is prepared in conformity with the Group's accounting policies.

		Metals		Energy		Corporate		Consolidated	
		2024	2023	2024	2023	2024	2023	2024	2023
	Note	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Revenue from external customers	3	18,129	16,764	91	107	–	–	18,220	16,871
Underlying EBITDA		**11,400**	**10,545**	**(659)**	**(617)**	**(33)**	**35**	**10,708**	**9,963**
Depreciation and amortisation	5,6							(2,144)	(1,744)
Finance income	7							218	149
Finance expense	7							(386)	(275)
Exploration, development and other	6							(96)	(170)
Impairment expense	6							–	(1,037)
Income tax expense	14(a)							(2,636)	(2,090)
Net profit after tax								**5,664**	**4,796**

FINANCIAL PERFORMANCE

02 Segment information (continued)

(b) Other segmental reporting

	Metals		Energy		Corporate		Consolidated	
	2024 US$m	2023 US$m	2024 US$m	2023 US$m	2024 US$m	2023 US$m	2024 US$m	2023 US$m
Capital expenditure (cash basis)	2,553	2,809	295	92	–	–	2,848	2,901
Investments accounted for using the equity method	19	17	241	243	–	–	260	260
Total assets	23,603	22,748	1,199	819	5,258	4,651	30,060	28,218
Total liabilities	3,781	3,546	314	203	6,434	6,471	10,529	10,220

(c) Geographical information

Fortescue operates predominantly in the geographical location of Australia, and this is the location of the vast majority of the Group's assets. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	2024 US$m	2023 US$m
Revenue from external customers		
China	16,082	15,015
Other	2,138	1,856
	18,220	**16,871**

(d) Major customer information

Revenue from the two largest customers amounted to US$1,760 million and US$1,335 million respectively (2023: US$1,793 million and US$1,206 million), arising from the sale of iron ore and the related shipment of product.

FINANCIAL PERFORMANCE

03 Operating sales revenue

	2024 US$m	2023 US$m
Iron ore revenue	16,741	15,482
Provisional pricing adjustments - iron ore	(336)	(164)
Total iron ore revenue[1]	**16,405**	15,318
Shipping revenue	1,556	1,386
Provisional pricing adjustments - shipping revenue	57	(30)
Total shipping revenue[1]	**1,613**	1,356
Manufacturing and engineering services revenue[2]	91	106
Other revenue[3]	111	91
Operating sales revenue	**18,220**	16,871

[1]Certain sales contracts are provisionally priced at the initial revenue recognition (bill of lading) date, with the final settlement price based on a pre-determined quotation period. Operating sales revenue from these contracts each comprise two parts:

(i) Iron ore revenue and shipping revenue recognised at the bill of lading date at current prices; and

(ii) Provisional pricing adjustments which represent any difference between the revenue recognised at the bill of lading date and the final settlement price.

Shipping revenue and the provisional pricing adjustments to shipping revenue are recognised over the period during which the shipping service has been provided.

[2]Manufacturing and engineering services revenue is earned from contracts with customers. Revenue is recognised when control of the goods or services are transferred to the customer (over time or at a point in time) at an amount that reflects the consideration to which the Group is entitled in exchange for those goods or services.

[3]Other revenue includes towage services provided by Fortescue which is recognised as performed.

04 Other income

	2024 US$m	2023 US$m
Net foreign exchange gain	–	48
Grants income	7	–
Other	38	5
	45	53

FINANCIAL PERFORMANCE

05 Cost of sales

	2024 US$m	2023 US$m
Mining and processing costs	3,102	2,856
Rail costs	288	266
Port costs	278	251
Shipping costs	1,531	1,455
Government royalty	1,209	1,124
Depreciation and amortisation	2,098	1,708
Manufacturing and engineering services costs	97	76
Other operating expenses	70	81
	8,673	7,817

Total employee benefits expense included in cost of sales, administration expenses and research expenditure is US$1,847 million (2023: US$1,754 million).

06 Other expenses

	2024 US$m	2023 US$m
Administration expenses	416	288
Research expenditure	495	553
Impairment expense[1]	–	1,037
Exploration, development and other	96	170
Depreciation and amortisation	46	36
Fair value change in financial instruments	10	3
Net foreign exchange loss	31	–
Other	9	–
	1,103	2,087

[1]Impairment expense relates to the impairment of the Iron Bridge CGU in prior year ended 30 June 2023 as described in note 12(a).

FINANCIAL PERFORMANCE

07 Finance income and finance expenses

	2024 US$m	2023 US$m
Finance income		
Interest income	218	149
	218	149
Finance expenses		
Interest expense on borrowings and lease liabilities	313	228
Loss on early debt redemption	–	2
Other	73	45
	386	275

08 Earnings per share

(a) Earnings per share	Cents 2024	Cents 2023
Basic	184.8	156.0
Diluted	184.4	155.7
(b) Reconciliation of earnings used in calculating earnings per share	**US$m**	**US$m**
Net profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	5,683	4,798
(c) Weighted average number of shares used as denominator	**Number**	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	3,075,951,886	3,075,997,351
Adjustments for calculation of diluted earnings per share:		
Potential ordinary shares	5,204,787	5,793,933
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	3,081,156,673	3,081,791,284

(d) Information on the classification of securities

Share rights granted to employees under the Fortescue incentive plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. Details relating to the share rights are set out in note 18.

CAPITAL MANAGEMENT

09 Capital management

Fortescue's capital management policy supports its strategic objectives and provides a framework to maintain a strong capital structure to deliver consistent returns to its shareholders as well as invest in future developments and expansion of the business.

Fortescue's capital includes total equity and net debt. Net debt is defined as borrowings and lease liabilities less cash and cash equivalents.

	Note	2024 US$m	2023 US$m
Borrowings	9(a)	4,585	4,587
Lease liabilities	9(a)	815	734
Cash and cash equivalents	9(b)	(4,903)	(4,287)
Net debt		**497**	1,034
Equity attributable to equity holders of the Company		19,552	17,989
Non-controlling interest		(21)	9
Total equity		**19,531**	17,998

Capital management involves a continuous process of:

- Evaluating capital requirements against the risks arising from Fortescue's activities and its operating environment
- Raising, refinancing and repaying debt
- Development, maintenance and implementation of the dividend policy.

Fortescue has developed target ranges for a number of financial indicators. These indicators include gearing, net gearing, debt to Underlying EBITDA and interest coverage ratio, and are monitored together with a number of other financial and non-financial indicators. Target ranges for the financial ratios may vary upon the investment and commodity cycles. During periods of intensive investment, for example expansion programs, or a commodity downturn, the capital management policy contemplates interim ratio levels returning to a targeted longer term level. Interim levels acknowledge and consider the requirements, in certain circumstances, for remedial actions to be taken.

As per previous disclosures, Fortescue has a share buy-back program in place that is an important part of the capital management strategy. The program was put in place in 2018 and was extended in October 2020 for an unlimited duration.

CAPITAL MANAGEMENT

09 Capital management (continued)

(a) Borrowings and lease liabilities

	2024 US$m	2023 US$m
Senior unsecured notes	36	36
Green senior unsecured notes	14	14
Syndicated term loan	10	9
Lease liabilities	132	106
Total current borrowings and lease liabilities	**192**	165
Senior unsecured notes	2,778	2,774
Green senior unsecured notes	789	788
Syndicated term loan	958	966
Lease liabilities	683	628
Total non-current borrowings and lease liabilities	**5,208**	5,156
Total borrowings and lease liabilities	**5,400**	5,321

(i) Senior unsecured and green senior unsecured notes

As at 30 June 2024, the Company had the following senior unsecured notes on issue:

Date of issue	Date of maturity	Non-call period	Face value US$m	Carrying value US$m	Coupon rate	Currency
September 2019	September 2027	8 years	600	606	4.500%	USD
March 2021	April 2031	10 years	1,500	1,505	4.375%	USD
April 2022	April 2030	8 years	700	703	5.875%	USD
April 2022	April 2032	10 years	800	803	6.125%	USD
			3,600	**3,617**		

The April 2032 US$800 million senior unsecured note is a Green Bond.

Fortescue's listed debt instruments are classified as level 1 financial instruments in the fair value hierarchy with their fair values based on quoted market prices at the end of the reporting period. Refer to note 11(d).

(ii) Syndicated term loan

The syndicated term loan matures in June 2026, and as at 30 June 2024 had a carrying value of US$968 million (30 June 2023: US$975 million) with a coupon rate linked to Secured Overnight Financing Rate (SOFR) plus a fixed margin. The facility has principal repayment of 1 per cent per annum with early repayment of the facility at Fortescue's option without penalty.

An additional syndicated term loan facility was executed in December 2022 to the value of US$500 million, which was available to draw until December 2023. As at 30 June 2024, the additional syndicated term loan facility remained undrawn and has lapsed.

CAPITAL MANAGEMENT

09 Capital management (continued)

(a) Borrowings and lease liabilities (continued)

(iii) Revolving credit facility

The US$1,025 million revolving credit facility with a maturity date on 28 July 2025, remained undrawn at 30 June 2024 and 30 June 2023. If drawn, interest accrues based on a variable rate linked to SOFR plus a fixed margin and is payable at the end of the interest period selected (either one, two, three or six months), with the principal due at maturity.

(iv) Lease liabilities

The Group enters into contractual arrangements for the leases of mining equipment, vehicles, buildings and other assets. Typically, the duration of these contracts is for periods of between 2 and 5 years, some of which include extension options and are recognised within lease liabilities.

	2024 US$m	2023 US$m
Expense relating to short-term leases	111	176
Expense relating to leases of low-value assets that are not shown above as short-term leases	4	4
Expense relating to variable lease payments not included in the measurement of lease liabilities	133	133
Future cashflows from leases not yet commenced	94	58

(v) Summary of movements in borrowings and lease liabilities

	Senior unsecured notes US$m	Green senior unsecured notes US$m	Syndicated term loan US$m	Lease liability US$m	Total US$m
Balance at 1 July 2022	3,560	802	986	755	6,103
Additions	–	–	–	139	139
Interest expense	173	50	59	58	340
Payments	(925)	(50)	(66)	(187)	(1,228)
Disposals	–	–	–	(14)	(14)
Transaction costs	2	–	(4)	–	(2)
Foreign exchange gain	–	–	–	(17)	(17)
Balance at 30 June 2023	2,810	802	975	734	5,321
Additions	–	–	–	232	232
Interest expense	137	50	77	74	338
Payments	(133)	(49)	(84)	(201)	(467)
Disposals	–	–	–	(25)	(25)
Foreign exchange loss	–	–	–	1	1
Balance at 30 June 2024	**2,814**	**803**	**968**	**815**	**5,400**

Information about Fortescue's exposure to interest rate risk and foreign exchange rate risk is disclosed in note 11.

CAPITAL MANAGEMENT

09 Capital management (continued)

(b) Cash and cash equivalents

	2024 US$m	2023 US$m
Cash at bank	1,815	2,693
Short term deposits	3,088	1,594
	4,903	4,287

The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include US$99 million (2023: US$215 million) which are held by the Iron Bridge Joint Venture and reflects the 69% share of the Group. These cash and cash equivalents are subject to contractual restrictions arising from the joint operation arrangement and are therefore not available for general use by the other entities within the Group.

(c) Cash flow information

Reconciliation of net profit after tax to net cash inflow from operating activities

	2024 US$m	2023 US$m
Net profit after tax	5,664	4,796
Depreciation and amortisation	2,144	1,744
Impairment expense	–	1,037
Exploration, development and other	96	170
Share-based payment expense	156	148
Net unrealised foreign exchange (gain)/loss	(35)	6
Rehabilitation expenditure	(1)	(22)
Depreciation in inventory	(1)	31
Equity accounted investments	26	15
Other non-cash items	52	(103)
Working capital adjustments:		
Increase / (decrease) in payables	183	(1)
Increase in receivables	(136)	(60)
Increase in inventories	(222)	(94)
Increase in other assets	(81)	(18)
Increase / (decrease) in deferred income	50	(2)
Increase in provisions	57	72
Decrease in provision for income taxes payable	(52)	(20)
Increase / (decrease) in deferred tax liabilities	19	(267)
Net cash inflow from operating activities	**7,919**	7,432

CAPITAL MANAGEMENT

09 Capital management (continued)

(d) Contributed equity

(i) Share capital

	Issued shares Number	Treasury shares Number	Contributed equity Number	Issued shares US$m	Treasury shares US$m	Contributed equity US$m
At 1 July 2022	3,078,964,918	(2,425,286)	3,076,539,632	1,195	(142)	1,053
Purchase of shares under employee share plans	–	(12,941,756)	(12,941,756)	–	(151)	(151)
Employee share awards vested	–	12,288,513	12,288,513	–	142	142
At 30 June 2023	3,078,964,918	(3,078,529)	3,075,886,389	1,195	(151)	1,044
Purchase of shares under employee share plans	–	(10,854,167)	(10,854,167)	–	(142)	(142)
Employee share awards vested	–	10,933,022	10,933,022	–	175	175
At 30 June 2024	**3,078,964,918**	**(2,999,674)**	**3,075,965,244**	**1,195**	**(118)**	**1,077**

(ii) Issued shares

Issued shares are fully paid and entitle the holders to one vote per share and the rights to participate in dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

(iii) Treasury shares

Movements in treasury shares represent acquisition of the Company's shares on market and allocation of shares to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment plans.

(iv) Share buy-back program

During the period, the Company acquired none of its own shares on market under the share buy-back program, which was extended on 10 October 2020 for an unlimited duration. The maximum number of shares which can be bought back is determined periodically by the Company's 10/12 limit, being that a company cannot buy back more than 10 per cent of its voting shares within the span of any 12-month period.

(e) Reserves

	2024 US$m	2023 US$m
Share-based payments reserve	102	121
Foreign currency translation reserve	68	61
Financial assets reserve	21	5
Other reserves	(16)	(17)
	175	170

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

CAPITAL MANAGEMENT

09 Capital management (continued)

(e) Reserves (continued)

(ii) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise the exchange differences arising from the translation of non-US dollar functional currency subsidiaries into US dollar Group presentation currency.

(iii) Financial assets reserve

The financial assets reserve represents the fair value changes on financial assets measured at fair value through other comprehensive income. The Group transfers amounts from this reserve to retained earnings when the relevant financial asset is derecognised.

(iv) Other reserves

The other reserves consists of capital reserve and general reserve.

(f) Dividends

(i) Dividends paid during the year

	2024 US$m	2023 US$m
Final fully franked dividend for the year ended 30 June 2023: A$1.00 per share (30 June 2022: A$1.21 per share)	1,975	2,591
Interim fully franked dividend for the half-year ended 31 December 2023: A$1.08 per share (31 December 2022: A$0.75 per share)	2,183	1,608
	4,158	4,199

(ii) Dividends declared and not recognised as a liability

	2024 US$m	2023 US$m
Final fully franked dividend: A$0.89 per share (2023: A$1.00 per share)	1,858	1,975

(iii) Franking credits

	2024 A$m	2023 A$m
Franking credit account balance at the end of the financial year at 30% (2023: 30%)	7,454	6,183
Franking credits that will arise from the payment of current tax payable as at the end of the year	355	431
Franking debits that will arise from the payment of the final dividend for the year	(1,175)	(1,320)
	6,634	5,294

CAPITAL MANAGEMENT

10 Working capital

(a) Trade and other receivables

	2024 US$m	2023 US$m
Trade debtors	429	331
GST receivables	120	68
Other receivables	105	121
Total current receivables	**654**	520

Iron ore trade receivables with embedded derivatives for provisional pricing amounting to US$368 million as at 30 June 2024 (2023: US$331 million) are measured at fair value through profit or loss under AASB 9 *Financial Instruments*. The remaining trade and other receivables are recognised at amortised cost using the effective interest method, less an allowance for impairment.

The Group applies the expected credit loss model to all receivables not held at fair value through profit or loss. A provision for doubtful receivables is established based on the expected credit loss model and reviewed on an ongoing basis. Expected credit losses on trade and other receivables held at amortised cost amount to US$4 million as at 30 June 2024 for which a full provision has been recognised (2023: nil).

The carrying value of the receivables approximates their fair value. Information about Fortescue's exposure to foreign currency risk, interest rate risk and price risk pertaining to the trade and other receivables balances is disclosed in note 11.

Disclosures relating to receivables from related parties are set out in note 17.

(b) Trade and other payables

	2024 US$m	2023 US$m
Trade payables	1,041	984
Royalty accrual	317	346
Other payables	304	152
Total current payables	**1,662**	1,482

(c) Inventories

	2024 US$m	2023 US$m
Iron ore stockpiles	962	786
Warehouse stores, materials and work in progress	565	403
Total current inventories	**1,527**	1,189
Iron ore stockpiles	342	458
Total non-current inventories	**342**	458

Iron ore stockpiles, warehouse stores, materials and work in progress are stated at cost. Inventories expensed through cost of sales, including depreciation, during the year ended 30 June 2024 amounted to US$5,863 million (2023: US$5,157 million). During the year, inventory write-offs of US$16 million (2023: US$35 million) were recognised in relation to specific items of warehouse stores and materials that were identified as obsolete. A net realisable value write-down of US$51 million (2023: nil) was also recognised in relation to magnetite iron ore stockpiles.

CAPITAL MANAGEMENT

10 Working capital (continued)

(d) Deferred income

	2024 US$m	2023 US$m
Deferred revenue - Iron ore sales	44	61
Deferred revenue - Manufacturing and engineering services	17	10
Deferred income - Government grants	2	–
Deferred income - Others	2	–
Total current deferred income	**65**	71
Deferred revenue - Infrastructure	21	21
Deferred income - Government grants	63	7
Total non-current deferred income	**84**	28

11 Financial risk management

Fortescue is exposed to a range of financial risks, including market risk, credit risk and liquidity risk. Fortescue has established a risk management framework that provides a structured approach to the identification and control of risks across the business, sets the appropriate risk tolerance levels and incorporates active management of financial risks. The risk management framework has been approved by the Board of Directors, through the Audit, Finance and Risk Management Committee. The day-to-day management responsibility for execution of the risk management framework has been delegated to the Metals CEO, Energy CEO and Group CFO. Periodically, the Group CFO reports to the Audit, Finance and Risk Management Committee on risk management performance, including management of financial risks.

The key elements of financial risk are further explained below.

(a) Market risk

Market risk arises from Fortescue's exposure to commodity price risk and the use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in iron ore price (commodity price risk), interest rates (interest rate risk) or foreign exchange rates (foreign currency exchange risk).

(i) Commodity price risk

Fortescue is exposed to commodity price risk, as its iron ore sales are predominantly subject to prevailing market prices. Fortescue does not directly influence market prices of iron ore and manages the commodity price risk through a focus on improving its cash margins and strengthening its corporate balance sheet through refinancing and early debt repayments.

The majority of Fortescue's iron ore sales contracts are structured on a provisional pricing basis, with the final sales price determined using the iron ore price indices on or after the vessel's arrival to the port at discharge. The estimated consideration in relation to the provisionally priced contracts is marked to market using the spot iron ore price at the end of each reporting period, with the impact of the iron ore price movements recorded as provisional pricing adjustments to revenue. At 30 June 2024, Fortescue had 4.6 million tonnes of iron ore sales (2023: 2.6 million tonnes) that remained subject to provisional pricing, with the final price to be determined in the following financial year.

A two per cent movement in the realised iron ore price on these provisionally priced sales would have an impact on the Group's profit of US$6 million (2023: three per cent movement would have an impact on the Group's profit of US$6 million), before the impact of taxation. This analysis assumes all other factors, including the foreign currency exchange rates, are held constant.

CAPITAL MANAGEMENT

11 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's interest rate risk arises from variable rates on the syndicated term loan, the revolving credit facility to the extent it is drawn, and the lease liabilities relating to the ore carriers. Changes in rates applicable to the short-term deposits forming part of cash and cash equivalents also give rise to interest rate risk.

Fortescue's policy is to reduce interest rate risk over the cash flows on its long-term debt funding through the use of fixed rate instruments whenever appropriate.

Fortescue's variable rate financial assets and liabilities at the end of the financial year are summarised below:

	Note	2024 US$m	2023 US$m
Cash and cash equivalents	9(b)	1,815	2,693
Syndicated term loan	9(a)	(968)	(975)
Lease liabilities		(267)	(294)
		580	1,424

Management analyses the Group's interest rate exposure on a regular basis by simulating various scenarios which take into consideration refinancing, renewal of existing positions, alternative financing options and hedging.

A change of 25 basis points in interest rates in variable instruments would have an impact on the Group's profit of US$1 million (2023: a change of 50 basis points would impact profit by US$7 million), before the impact of taxation.

This analysis assumes that all other factors remain constant, including foreign currency rates.

(iii) Foreign currency exchange risk

Fortescue operates in Australia with a significant portion of its operating costs and capital expenditure incurred and paid in Australian dollars, and as such, is exposed to the movements in the Australian dollar exchange rate.

Fortescue's risk management policy is to target specific levels at which to convert United States dollars to Australian dollars by entering into either spot or short-term forward exchange contracts or structured foreign currency option arrangements (i.e. collars) to fix a portion of the Group's Australian dollar exposure to within a Board-approved range. The Group has not applied hedge accounting to any of these contracts during the year.

CAPITAL MANAGEMENT

11 Financial risk management (continued)

(iii) Foreign currency exchange risk (continued)

The carrying amounts of the financial assets and liabilities denominated in Australian dollars and Chinese Yuan (CNY) (expressed in US dollars), are set out below:

	AUD denominated		CNY denominated	
	2024 US$m	2023 US$m	2024 US$m	2023 US$m
Financial assets				
Cash and cash equivalents	828	945	222	436
Trade and other receivables	59	201	–	–
Other financial assets	52	72	–	–
Total financial assets	**939**	1,218	**222**	436
Financial liabilities				
Borrowings and lease liabilities	416	392	2	–
Trade and other payables	864	891	10	13
Current tax payable	259	304	–	–
Total financial liabilities	**1,539**	1,587	**12**	13

A change of two per cent in the Australian dollar exchange rate would have a net impact on the Group's profit of US$12 million (2023: a change of two per cent would have an impact of US$7 million), before the impact of taxation. A change of two per cent in the Chinese Yuan exchange rate would have a net impact on the Group's profit of US$4 million (2023: a change of two per cent would have an impact of US$8 million), before the impact of taxation. This analysis assumes that all other variables, including interest rates and iron ore price, remain constant.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to Fortescue and is managed on a consolidated basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and receivables from customers.

Contracts for iron ore sales allow for pricing mechanisms in which the price can be finalised over multiple periods. On this basis, the Group does not consider in the first instance that the ageing of receivables is an indicator of risk of default, rather an indication of the contractual terms and conditions agreed within the sales contract.

The Group's exposure to customer credit risk for trade receivables other than iron ore trade receivables is influenced mainly by the individual characteristics of each customers. Contracts for iron ore sales are completed under Letter of Credit. New customers are analysed individually for creditworthiness, taking into account credit ratings where available, previous trading experience and other factors. In monitoring customer credit risk, customers are assessed individually by their debtor ageing profile. Monitoring of receivable balances on an ongoing basis minimises the exposure to bad debts. Historically, bad debt write-offs have been insignificant.

At 30 June 2024, the Group had US$5 million (2023: US$2 million) of trade receivables which have not been settled within the normal terms and conditions agreed with the customer. The Group applies a forward-looking expected credit loss model. To measure the expected credit losses, these trade receivables have been grouped based on shared credit risk characteristics. Fortescue allocates each group of trade receivables to a credit risk grade based on data that is determined to be predictive of the risk of loss including but not limited to external ratings and available press information about customers. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies. The Group assesses expected credit losses by considering the risk of default modified for credit enhancements such as letters of credit obtained. On this basis, the resulting expected credit loss on trade receivables is not material.

CAPITAL MANAGEMENT

11 Financial risk management (continued)

(b) Credit risk (continued)

Fortescue has recognised bad debt expense from trading counterparties of US$4 million for the year ended 30 June 2024 (2023: nil).

The exposure to the credit risk from cash and short-term deposits held in banks is managed by the Group's Treasury department and monitored by the Group CFO. Fortescue minimises the credit risks by holding funds with a range of financial institutions with credit ratings approved by the Board.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Fortescue manages liquidity risk by maintaining adequate cash reserves and banking facilities, by continuously monitoring actual and forecast cash flows and by matching the maturity profiles of its assets and liabilities.

The table below analyses Fortescue's financial liabilities into relevant maturity groupings based on the period to the contracted maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months US$m	6-12 months US$m	1-2 years US$m	2-5 years US$m	Over 5 years US$m	Total contractual cash flows US$m	Carrying amount US$m
30 June 2023							
Trade and other payables	1,786	–	–	–	–	1,786	1,786
Borrowings	146	136	265	2,167	3,475	6,189	4,587
Lease liabilities	59	56	98	203	318	1,119	734
Lease expenditure commitments	89	84	149	320	477	1,119	
Effect of discounting	(30)	(28)	(51)	(117)	(159)	–	
	1,991	192	363	2,370	3,793	9,094	7,107
30 June 2024							
Trade and other payables	1,921	–	–	–	–	1,921	1,921
Borrowings	140	130	1,214	1,110	3,319	5,913	4,585
Lease liabilities	64	68	121	242	320	1,213	815
Lease expenditure commitments	98	99	177	363	476	1,213	
Effect of discounting	(34)	(31)	(56)	(121)	(156)	–	
	2,125	**198**	**1,335**	**1,352**	**3,639**	**9,047**	**7,321**

Management monitors rolling forecasts of the Group's cash and overall liquidity position on the basis of expected cash flows.

CAPITAL MANAGEMENT

11 Financial risk management (continued)

(d) Fair values

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same, with the exception of Fortescue's listed debt instruments. The senior unsecured notes are classified as level 1 financial instruments in the fair value hierarchy, with their fair values based on quoted market prices at the end of the financial year, as outlined below.

	2024		2023	
	Carrying value US$m	Fair value US$m	Carrying value US$m	Fair value US$m
Senior unsecured notes	2,814	2,599	2,810	2,504
Green senior unsecured notes	803	790	802	760

The Group enters into derivative financial instruments (foreign currency options and commodity swap contracts) with various counterparties, principally financial institutions with investment-grade credit ratings. It also recognises trade receivables in relation to its provisionally priced iron ore sales contracts at fair value. All derivatives and provisionally priced iron ore trade receivables are valued using valuation techniques which employ the use of market observable inputs, such as foreign exchange spot and forward rates, yield curves of the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Accordingly, these instruments are classified as Level 2. Refer to note 10(a) for the fair value of provisionally priced iron ore trade receivables as at 30 June 2024.

For all fair value measurements and disclosures, the Group uses the following levels to categorise the method used:

Level 1: the fair value is calculated using quoted prices in active markets for identical assets and liabilities.
Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data. The Group does not have any financial assets or liabilities in this category.

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between levels during the year.

Notes to the consolidated financial statements
For the year ended 30 June 2024

KEY BALANCE SHEET ITEMS

12 Property, plant and equipment and intangible assets

(a) Property, plant and equipment

	Plant and equipment	Land and buildings	Exploration and evaluation	Assets under development	Development	Right of use assets: Plant and equipment	Right of use assets: Land and buildings	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Net carrying value								
At 1 July 2022	9,671	584	758	5,157	3,548	822	110	20,650
Transfers of assets	1,662	85	(2)	(2,083)	267	–	–	(71)
Additions	11	1	159	2,831	–	85	56	3,143
Disposals and write-offs	(46)	–	(100)	–	–	–	–	(146)
Depreciation	(1,224)	(59)	–	–	(298)	(142)	(16)	(1,739)
Impairment	–	–	–	(1,037)	–	–	–	(1,037)
Changes in restoration and rehabilitation estimate[1]	–	–	–	–	171	–	–	171
Other	–	–	–	8	(5)	–	–	3
At 30 June 2023	10,074	611	815	4,876	3,683	765	150	20,974
Cost	20,679	1,285	815	4,876	6,101	1,370	193	35,319
Accumulated depreciation and impairment	(10,605)	(674)	–	–	(2,418)	(605)	(43)	(14,345)
Net carrying value								
At 1 July 2023	10,074	611	815	4,876	3,683	765	150	20,974
Transfers of assets	4,048	142	(13)	(4,849)	562	–	–	(110)
Additions	25	30	190	2,576	–	147	80	3,048
Disposals and write-offs	(48)	–	(37)	–	(6)	–	–	(91)
Depreciation	(1,591)	(63)	–	–	(283)	(125)	(27)	(2,089)
Impairment	–	–	–	–	–	–	–	–
Changes in restoration and rehabilitation estimate[1]	–	–	–	–	(53)	–	–	(53)
Other	–	–	–	8	(5)	–	–	3
At 30 June 2024	**12,508**	**720**	**955**	**2,611**	**3,898**	**787**	**203**	**21,682**
Cost	24,704	1,457	955	2,611	6,599	1,517	273	38,116
Accumulated depreciation and impairment	(12,196)	(737)	–	–	(2,701)	(730)	(70)	(16,434)

[1] Refer to note 13(a) for movements in the restoration and rehabilitation provision.

Transfers of assets were made between the categories of property, plant and equipment, intangible assets, exploration and evaluation, development expenditure and right of use assets.

In the prior year ended 30 June 2023, geology work in Ecuador tenements were put on standby whilst commercial prioritisation of exploration projects took place. Management determined these tenements were no longer prospective and US$63 million was written-off for the exploration and evaluation assets.

KEY BALANCE SHEET ITEMS

12 Property, plant and equipment and intangible assets (continued)

(a) Property, plant and equipment (continued)

In accordance with the Accounting Standards and internal policies as described in note 23(q), the Group is required to assess at each reporting date whether there is any indication that its assets may be impaired. For the financial year ended 30 June 2024, the Group's assessment of its CGUs identified no indicators of impairment and concluded that an impairment test was not required.

For the financial year ended 30 June 2023, indicators of impairment of the Iron Bridge CGU were identified and accordingly, an impairment test of the Iron Bridge CGU was performed by assessing its fair value less cost of disposal (FVLCD) compared to its carrying amount (refer to note 24(d)(i)). This resulted in the recognition of a pre-tax impairment expense of US$1,037 million in the 30 June 2023 financial results.

The table below summarises the key judgement and estimates that may impact the carrying value of the Iron Bridge CGU for the next 12 months as at 30 June 2024:

Price for Iron Bridge product	Published third-party forecast prices available for the 65% Fe Index are used as the basis for future Iron Bridge product pricing, with a grade adjustment to 67% Fe, and incorporates an additional long-term premium to reflect product value and increasing demand for energy efficient magnetite product.
Operating cost	Operating cost for the ramp up period and long term are based on internal budgets and forecasts based on life of mine plans. In determining the FVLCD, cash flows related to operating costs and capital expenditures to enhance productivity or reduce costs are included.
Production output	Production volumes are based on detailed life of mine plans factoring in current resources and reserves, recoverable quantities of ore, environmental and heritage factors.
Exchange rates AUD/USD	Long term exchange rates are derived with reference to analyst consensus which involves market analysis including equity analyst estimates and internal management estimates.
Discount rates	In calculating FVLCD, a post-tax nominal discount rate is applied to the post tax cash flows. The discount rate is impacted by the risk-free rate and other benchmark interest rates. The discount rate takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on its interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Summary:

No impairment indicators were identified for the Group's CGUs for the financial year ended 30 June 2024. For the financial year ended 30 June 2023, an impairment expense of US$1,037 million (post tax: US$726 million) was recognised for the Iron Bridge CGU reflecting the differences between the carrying amount and the FVLCD recoverable amount.

Notes to the consolidated financial statements
For the year ended 30 June 2024

KEY BALANCE SHEET ITEMS

12 Property, plant and equipment and intangible assets (continued)

(b) Intangible assets

	Goodwill US$m	Other intangible assets US$m	Total US$m
Net carrying value			
At 1 July 2022	199	58	257
Transfers	–	71	71
Additions	–	25	25
Disposals	–	(14)	(14)
Adjustment to subsidiary purchase consideration	(4)	–	(4)
Amortisation	–	(36)	(36)
At 30 June 2023	195	104	299
Cost	195	321	516
Accumulated amortisation	–	(217)	(217)
Net carrying value			
At 1 July 2023	195	104	299
Transfers	–	88	88
Additions	–	56	56
Disposals	–	–	–
Amortisation	–	(55)	(55)
At 30 June 2024	**195**	**193**	**388**
Cost	195	465	660
Accumulated amortisation	–	(272)	(272)

In considering impairment, the goodwill recognised from the acquisition of Fortescue Zero (formerly Fortescue WAE) by Fortescue is allocated to the CGUs expected to benefit from Fortescue Zero's battery electric technology. Fortescue has allocated the goodwill to its Pilbara Operations CGU reflecting the electrification of its mining and rail fleet.

The Group has considered the recoverability of the goodwill in respect to current and forecasted financial performance of the Pilbara Operations CGU and noted no indications that the goodwill needs to be impaired.

KEY BALANCE SHEET ITEMS

13 Provisions

	2024 US$m	2023 US$m
Employee benefits	489	436
Restoration and rehabilitation	7	4
Others	12	5
Total current provisions	**508**	445
Employee benefits	5	4
Restoration and rehabilitation	1,021	1,059
Total non-current provisions	**1,026**	1,063

(a) Provision for restoration and rehabilitation

Movements in the provision for restoration and rehabilitation during the financial year are set out below:

	2024 US$m	2023 US$m
At 1 July	1,063	912
Changes in restoration and rehabilitation estimate	(53)	171
Unwinding of discount	19	2
Payments for restoration and rehabilitation activities	(1)	(22)
At 30 June	**1,028**	1,063

The provision for restoration and rehabilitation has been made in full for all disturbed areas at the reporting date based on current cost estimates for rehabilitation and infrastructure removal, discounted to their present value based on expected timing of future cash flows.

Payments for restoration and rehabilitation activities exclude ongoing rehabilitation performed as part of normal operations.

TAXATION

14 Taxation

For the year ended 30 June 2024, Fortescue continues to be a signatory to the Board of Taxation's voluntary Tax Transparency Code (TTC). The TTC recommends a number of additional tax disclosures to be publicly available, in two separate parts. The Part A disclosure requirements are addressed in this note.

(a) Income tax expense

	Consolidated group	
	2024 US$m	**2023 US$m**
Current tax	2,613	2,360
Deferred tax	23	(270)
Income tax expense in the consolidated income statement	**2,636**	2,090

(b) Prima facie income tax expense reconciliation

Fortescue operates in a number of jurisdictions and pays income taxes accordingly. The Company's effective corporate income tax rate is reflective of the statutory corporate income tax rates in each jurisdiction. The majority of the Group's taxes are paid in Australia consistent with the location of its mining operations. The Australian Group includes Fortescue's wholly owned Australian entities.

For the year ended 30 June 2024, the Group's global effective tax rate was 31.8 per cent. This is in line with the Australian corporate tax rate of 30 per cent.

	Consolidated group 2024 US$m	**Australian group 2024 US$m**	**Consolidated group 2023 US$m**	**Australian group 2023 US$m**
Profit before income tax expense	8,300	8,492	6,886	6,992
Tax at the Australian tax rate of 30 per cent (2023: 30 per cent)	2,490	2,548	2,066	2,098
Research and development	(7)	(7)	(8)	(8)
Adjustments in respect of income tax expense of prior periods	25	25	(11)	(11)
Foreign exchange variations and other translation adjustments	3	3	(1)	(1)
Tax impact of overseas jurisdiction	98	18	64	13
Non-deductible expenditure	40	40	31	31
Share based payments	(16)	(16)	(20)	(20)
Other	3	–	(31)	(33)
Income tax expense	**2,636**	**2,611**	2,090	2,069
Effective tax rate	31.8%	30.7%	30.4%	29.6%

TAXATION

14 Taxation (continued)

(c) Reconciliation of income tax expense to current tax payable

	Consolidated group	
	2024	2023
	US$m	US$m
Income tax expense in the consolidated income statement	2,636	2,090
Deferred tax (benefit) / expense	(23)	270
	2,613	2,360
Current tax payable at 1 July	304	284
Tax payments made to tax authorities[1]	(2,667)	(2,336)
Impact of foreign exchange on income tax payable[2]	9	(4)
Current tax payable at 30 June	**259**	304

[1] In Australia, Fortescue pays pay as you go (PAYG) instalments based on a set rate, as advised by the Australian Taxation Office. This rate has been varied to more accurately reflect estimated tax liabilities.
[2] Fortescue's income tax payments are made in the local currency of the country where taxes are due, being predominantly Australian Dollars.

(d) Deferred tax assets and liabilities

Deferred tax assets and liabilities represent the difference between the carrying value of assets and liabilities compared to their income tax base. Deferred tax assets and liabilities are measured at the relevant tax rates enacted for the reporting period. Fortescue's main operations are in Australia and therefore the main taxable income arises in Australia. The Company's major deferred tax assets and liabilities also arise in Australia, predominantly relating to capital investments in the Pilbara region.

	Consolidated group	
	2024	2023
	US$m	US$m
Deferred tax assets	832	790
Deferred tax liabilities	(2,357)	(2,296)
Net deferred tax liabilities	**(1,525)**	(1,506)

TAXATION

14 Taxation (continued)

(d) Deferred tax assets and liabilities (continued)

Composition of and movements in deferred tax assets and liabilities during the year are set out below:

	Deferred tax assets		Deferred tax liabilities		Charged/ (credited) to total comprehensive income	
	Consolidated group		Consolidated group		Consolidated group	
	2024 US$m	2023 US$m	2024 US$m	2023 US$m	2024 US$m	2023 US$m
Temporary differences arising from						
Exploration expenditure	–	–	(231)	(192)	39	15
Development	–	–	(536)	(668)	(132)	76
Property, plant and equipment	–	–	(1,344)	(1,218)	126	(296)
Inventories	–	–	(246)	(218)	28	15
Foreign exchange losses / (gains)	30	29	–	–	(1)	(37)
Provisions	448	447	–	–	(1)	(60)
Share based payments	31	36	–	–	5	(1)
Other financial liabilities	255	246	–	–	(9)	11
Other items[1]	68	32	–	–	(32)	7
	832	790	**(2,357)**	(2,296)	**23**	(270)

[1] Deferred tax asset of US$4 million in 30 June 2024 and US$3 million in 2023 was recognised in equity.

(e) Unrecognised tax losses and tax credits

At 30 June 2024, the Group had income tax losses of US$438 million (2023: US$145 million) and tax credits of US$3 million (2023: US$2 million), in respect of which no deferred tax asset has been recognised. The Group recognises the benefit of tax losses only to the extent of anticipated future taxable income or gains in relevant jurisdictions. Of the US$438 million of tax losses, US$115 million expires not later than 10 years and US$12 million expires later than 10 years and not later than 20 years. The remaining tax losses and tax credits do not expire.

UNRECOGNISED ITEMS

15 Commitments and contingencies

Contingent liabilities represent a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. These are not provided for on the balance sheet where the likelihood of the contingent liability is assessed as possible rather than probable or remote.

Contingent liabilities may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

(i) Contingent assets and liabilities

On 26 August 2022, Fortescue joined the Native Title Compensation Claim proceedings brought by the Yindjibarndi Ngurra Aboriginal Corporation (YNAC) against the State of Western Australia in the Federal Court of Australia. At the date of this report, the total quantum of compensation sought in the proceedings remains unclear. The Court has issued a timetable for the proceedings which includes several hearings. The first hearing (for opening submissions and on-country evidence) was held in August 2023, the second hearing (for expert and lay evidence) was held in April 2024, a third hearing (for remaining expert evidence) will be in October 2024 and the final hearing (for closing submissions) will be in February 2025.

Fortescue remains open to negotiating a Land Access Agreement to the benefit of all Yindjibarndi people on similar terms to the agreements it has in place with other native title groups in the region.

Fortescue occasionally receives claims arising from its activities in the normal course of business. It is expected that any liabilities arising from such claims would not have a material effect on the Group's operating results or financial position.

The Group has issued a number of bank and other performance guarantees for various operational and legal purposes related to its own future performance, which are in the normal course of business. It is not expected that these guarantees will be called on. No liabilities were recognised by the parent entity or the Group in relation to these guarantees. Refer to note 21(b) for further details of guarantees entered into by the parent entity.

(ii) Capital commitments

	2024 **US$m**	**2023** **US$m**
Within one year	729	728
Between one and five years	301	373
Later than five years	7	–
Total commitments	**1,037**	1,101

16 Events occurring after the reporting period

On 28 August 2024, the Directors declared a final dividend of 89 Australian cents per ordinary share payable in September 2024.

OTHER

17 Related party transactions

(a) Subsidiaries and joint operations

Interests in significant subsidiaries and joint operations are set out in note 22.

(b) Key management personnel remuneration

	2024 US$'000	2023 US$'000
Short-term employee benefits	6,304	8,673
Share-based payments	3,405	2,929
Long-term employee benefits	266	266
Post employment benefits	153	134
Termination benefits	1,609	–
	11,737	12,002

Detailed information about the remuneration received by each key management person is provided in the remuneration report on pages 106 to 149.

(c) Transactions with personally related entities

Key management personnel of the Group hold or have held positions in other companies (personally related entities) where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions with those entities during the year are reflected below. There were no amounts owed by the Group to personally related entities at 30 June 2024 (2023: nil).

	2024 US$'000	2023 US$'000
Purchase of consulting and contracted services	2,228	3,324
Costs recharged to personally related entities	854	777
Lease of commercial space	2,105	2,520
Payments under a joint development agreement	2,967	7,272
	8,154	13,893

OTHER

18 Share-based payments

(a) Employee share rights plans

During the year ended 30 June 2024, Fortescue issued 1,096,921 (2023: 1,179,558) short term share rights and 1,743,806 (2023: 2,019,419) long term share rights to employees and senior executives, convertible to one ordinary share per right. The short term rights vest over one year, and the long term rights vest over three years.

	2024 Number	2023 Number
Outstanding at 1 July	7,209,493	7,084,421
Share rights granted	2,840,727	3,198,977
Share rights forfeited or lapsed	(1,523,052)	(1,192,508)
Share rights converted or exercised	(2,020,745)	(1,881,397)
Outstanding at 30 June	**6,506,423**	7,209,493

The weighted average fair value of share rights granted during the year ended 30 June 2024 and 2023 are presented below:

	Metals		Energy	
	2024 A$/right	2023 A$/right	2024 A$/right	2023 A$/right
Short term share rights	23.87	20.20	23.87	20.04
Long term share rights	15.77	12.05	15.77	11.59

The estimated fair value of the short term share rights was determined using a binomial option pricing model and the estimated fair value of the long term share rights was determined using a combination of analytical approaches, binomial tree and Monte Carlo simulation. The fair value estimation takes into account the exercise price, the effective life of the right, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the effect of additional market conditions, the expected dividend yield, estimated share conversion factor and the risk free interest rate for the term of the right.

The weighted average inputs used to determine the fair value of share rights granted during the year ended 30 June 2024 and 2023 were:

	Metals		Energy	
	2024	2023	2024	2023
Share price, A$	25.29	21.28	25.29	21.17
Exercise price, A$	–	–	–	–
Volatility, %	39	41	39	41
Effective life, years	1.97	1.93	1.88	1.90
Dividend yield, %	7.8	7.5	7.8	7.5
Risk free interest rate, %	4.1	3.1	4.1	3.1

OTHER

18 Share-based payments (continued)

(a) Employee share rights plans (continued)

Details of Metals share rights outstanding at 30 June 2024 are presented in the following table:

	Metals					
	Exercise price	Balance at the end of the year	Vested and exercisable at the end of the year	Remaining contractual life	Vesting conditions	
	A$	Number	Number	Years	Market	Non-market
Short term share rights 2016	–	38,641	38,641	6.5	–	Yes
Short term share rights 2017	–	71,942	71,942	7.3	–	Yes
Short term share rights 2018	–	44,307	44,307	8.5	–	Yes
Short term share rights 2019	–	130,405	130,405	9.5	–	Yes
Short term share rights 2020	–	59,948	59,948	10.5	–	Yes
Short term share rights 2021	–	49,259	49,259	11.5	–	Yes
Short term share rights 2022	–	35,237	35,237	12.5	–	Yes
Short term share rights 2023	–	163,544	163,544	13.5	–	Yes
Short term share rights 2024	–	579,195	–	14.5	–	Yes
Long term share rights 2016	–	181,360	181,360	6.5	Yes	Yes
Long term share rights 2017	–	125,759	125,759	7.3	Yes	Yes
Long term share rights 2018	–	172,178	172,178	8.5	Yes	Yes
Long term share rights 2019	–	–	–	9.5	Yes	Yes
Long term share rights 2020	–	318,962	318,962	10.5	Yes	Yes
Long term share rights 2021	–	107,664	107,664	11.5	Yes	Yes
Long term share rights 2022	–	591,207	–	12.5	Yes	Yes
Long term share rights 2023	–	986,731	–	13.5	Yes	Yes
Long term share rights 2024	–	985,123	–	14.5	Yes	Yes
		4,641,462	**1,499,206**			

Details of Energy share rights outstanding at 30 June 2024 are presented in the following table:

	Energy					
	Exercise price	Balance at the end of the year	Vested and exercisable at the end of the year	Remaining contractual life	Vesting conditions	
	A$	Number	Number	Years	Market	Non-market
Short term share rights 2022	–	7,790	7,790	12.5	–	Yes
Short term share rights 2023	–	123,114	123,114	13.5	–	Yes
Short term share rights 2024	–	501,923	501,923	14.5	–	Yes
Long term share rights 2022	–	89,483	–	12.5	Yes	Yes
Long term share rights 2023	–	451,680	–	13.5	Yes	Yes
Long term share rights 2024	–	690,972	–	14.5	Yes	Yes
		1,864,962	**632,827**			

OTHER

18 Share-based payments (continued)

(b) Employee expenses

Total expenses arising from share-based payments transactions recognised during the period as part of employee benefit expense were as follows:

	2024 US$m	2023 US$m
Share-based payment expense	156	148

19 Remuneration of auditors

	2024 US$'000	2023 US$'000
PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial statements	1,949	1,546
Other assurance services	55	368
Total audit and assurance services	**2,004**	1,914
Other services		
Consulting services	750	117
Total remuneration of PricewaterhouseCoopers Australia	**2,754**	2,031
Network firms of PricewaterhouseCoopers Australia		
Audit and other assurances		
Audit and review of financial statements	968	709
	968	709
Total auditors' remuneration	**3,722**	2,740

OTHER

20 Deed of cross guarantee

Fortescue Ltd and certain of its subsidiaries are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

Holding entity

- Fortescue Ltd

Group entities

- FMG Pilbara Pty Ltd
- Chichester Metals Pty Ltd
- FMG Resources (August 2006) Pty Ltd
- International Bulk Ports Pty Ltd
- The Pilbara Infrastructure Pty Ltd
- FMG Solomon Pty Ltd
- FMG Nyidinghu Pty Ltd
- FMG Procurement Services Pty Ltd
- Pilbara Gas Pipeline Pty Ltd
- Pilbara Marine Pty Ltd
- Pilbara Power Pty Ltd
- FMG JV Company Pty Ltd
- FMG Ashburton Pty Ltd
- Pilbara Mining Alliance Pty Ltd
- Fortescue Services Pty Ltd
- FMG Personnel Pty Ltd
- FMG Personnel Services Pty Ltd
- FMG Resources Pty Ltd
- CSRP Pty Ltd
- FMG Training Pty Ltd
- Fortescue Green Technologies Pty Ltd
- Fortescue WAE Pty Ltd (formerly WAE Technologies HoldCo Pty Ltd)
- FMG Exploration Pty Ltd
- W Hub Pty Ltd
- IRBR Pty Ltd
- FMG Iron Bridge Ltd[1]
- FMG Iron Bridge (Aust) Pty Ltd[1]
- FMG Magnetite Pty Ltd[1]

[1]These subsidiaries have subsequently joined the deed of cross guarantee by way of an assumption deed during the year ended 30 June 2024, therefore, were only included in the consolidation of the closed group as at and for the year ended 30 June 2024.

(a) Consolidated income statement, consolidated statement of other comprehensive income, summary of movements in consolidated retained earnings (closed group)

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Fortescue Ltd, they also represent the 'extended closed group'.

Set out below is a consolidated income statement, consolidated statement of other comprehensive income, summary of movements in consolidated retained earnings for the year ended 30 June 2024 for the closed group represented by the above companies.

OTHER

20 Deed of cross guarantee (continued)

Consolidated income statement (closed group)	2024 US$m	2023 US$m
Operating sales revenue	18,107	16,845
Cost of sales	(8,744)	(7,838)
Gross profit	**9,363**	9,007
Other income	179	38
Other expenses	(286)	(890)
Operating profit	**9,256**	8,155
Finance income	199	109
Finance expenses	(353)	(248)
Profit before tax	**9,102**	8,016
Income tax expense	(2,699)	(2,468)
Net profit after tax	**6,403**	5,548

Consolidated statement of other comprehensive income (closed group)	2024 US$m	2023 US$m
Net profit after tax	6,403	5,548
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods, net of tax:		
Exchange differences on translation of foreign operations	2	–
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Gain on investments taken to equity	–	–
Other comprehensive income, net of tax	**2**	–
Total comprehensive income for the period, net of tax	**6,405**	5,548

Summary of movements in consolidated retained earnings (closed group)	2024 US$m	2023 US$m
Balance at 1 July	17,902	16,553
Net profit after tax	6,403	5,548
Dividends declared	(4,158)	(4,199)
Adjustments for companies transferred into the closed group	(58)	–
Balance at 30 June	**20,089**	17,902

OTHER

20 Deed of cross guarantee (continued)

(b) Consolidated statement of financial position (closed group)

Set out below is a consolidated statement of financial position as at 30 June 2024 for the closed group represented by the above companies.

	2024 US$m	2023 US$m
Cash and cash equivalents	4,478	3,708
Trade and other receivables	4,350	4,712
Inventories	1,472	1,125
Other current assets	53	49
Total current assets	**10,353**	9,594
Trade and other receivables	235	119
Inventories	342	458
Property, plant and equipment	19,828	17,490
Intangible assets	140	95
Financial assets measured at fair value	3	-
Other non-current assets	560	1,493
Total non-current assets	**21,108**	19,655
Total assets	**31,461**	29,249
Trade and other payables	1,531	1,326
Borrowings and lease liabilities	195	172
Provisions	480	425
Deferred income	19	–
Current tax payable	235	285
Total current liabilities	**2,460**	2,208
Borrowings and lease liabilities	5,222	5,199
Provisions	991	959
Deferred income	21	68
Deferred tax liabilities	1,516	1,749
Total non-current liabilities	**7,750**	7,975
Total liabilities	**10,210**	10,183
Net assets	**21,251**	19,066
Contributed equity	1,077	1,044
Reserves	85	120
Retained earnings	20,089	17,902
Total equity	**21,251**	19,066

OTHER

21 Parent entity financial information

(a) Summary financial information

	2024 US$m	2023 US$m
Current assets[1]	269	345
Non-current assets[1]	11,518	10,137
Total assets	**11,787**	10,482
Current liabilities	269	345
Non-current liabilities	599	675
Total liabilities	**868**	1,020
Net assets	**10,919**	9,462
Contributed equity	1,077	1,044
Reserves	103	122
Retained earnings	9,739	8,296
Total equity	**10,919**	9,462
Profit for the year	5,600	4,130
Total comprehensive income for the year	**5,600**	4,130

[1]During the year, the 2023 comparative information was restated to reclassify intercompany receivable balance of US$330 million from non-current assets to current assets as this intercompany receivable balance was collected within twelve months to settle the current liabilities.

The parent entity's financial information has been prepared using the same basis, including the accounting policies, as the consolidated financial information, except as outlined below:

- Investments in subsidiaries, associates and joint operations have been accounted for at cost, less accumulated impairment losses in the balance sheet; and
- Profit for the year includes dividends received from subsidiaries of US$6,080 million (2023: US$4,028 million).

(b) Guarantees entered into by the parent entity

The parent entity, Fortescue Ltd, is a party to the deed of cross guarantee as described in note 20 and has provided a guarantee to an unrelated party in relation to leases entered into by a subsidiary of the Group, which is not a party to the deed of cross guarantee. It also provided a number of guarantees in respect of the Group companies as outlined below.

Fortescue Ltd has unconditionally guaranteed the payment of principal and premium, if any, and interest related to the senior unsecured and green senior unsecured notes as described in note 9(a)(i) with a total face value of US$3,600 million issued by FMG Resources (August 2006) Pty Ltd, a wholly owned subsidiary.

Fortescue Ltd and its wholly owned subsidiaries FMG Pilbara Pty Ltd, Chichester Metals Pty Ltd, FMG Solomon Pty Ltd, International Bulk Ports Pty Ltd and The Pilbara Infrastructure Pty Ltd, have severally, fully and unconditionally guaranteed the payment of the principal and premium, if any, and interest, including certain additional amounts that may be payable in respect of the syndicated term loan as described in note 9(a)(ii) held by a wholly owned subsidiary, FMG Resources (August 2006) Pty Ltd. The guaranteed syndicated term loan had a carrying amount of US$968 million as at 30 June 2024 (30 June 2023: US$975 million). The same parties have severally guaranteed the revolving credit facility as described in note 9(a)(iii) of US$1,025 million (2023: US$1,025 million), which remained undrawn as at 30 June 2024.

OTHER

21 Parent entity financial information (continued)

(b) Guarantees entered into by the parent entity (continued)

As part of its Aboriginal Business Development activities, Fortescue Ltd seeks opportunities for Aboriginal businesses to provide replacement equipment or additional equipment as required. Fortescue Ltd is a guarantor of the bank facilities used by the Aboriginal businesses to purchase these assets which are then leased to the Group.

In addition, Fortescue Ltd has issued a number of bank and other guarantees to third parties for various operational and legal purposes, which are in the normal course of business. It is not expected that these guarantees will be called on. No liabilities were recognised by the parent entity or the Group in relation to these guarantees.

(c) Contingent liabilities of the parent entity

The parent entity is a party to the legal proceedings disclosed and guarantees disclosed in note 15(i) but otherwise did not have any contingent liabilities at 30 June 2024 or 30 June 2023.

OTHER

22 Interests in other entities

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following significant subsidiaries, in accordance with the accounting policy described in note 23(a)(i):

	Country of incorporation	Class of shares	Equity holding 2024 %	Equity holding 2023 %
Metals Segment				
Chichester Metals Pty Ltd	Australia	Ordinary	100	100
FMG International Pte Ltd	Singapore	Ordinary	100	100
FMG International Shipping Pte Ltd	Singapore	Ordinary	100	100
FMG Insurance Singapore Pte Ltd	Singapore	Ordinary	100	100
FMG Iron Bridge (Aust) Pty Ltd	Australia	Ordinary	100	100
FMG Magnetite Pty Ltd	Australia	Ordinary	100	100
FMG Pilbara Pty Ltd	Australia	Ordinary	100	100
The Pilbara Infrastructure Pty Ltd	Australia	Ordinary	100	100
Pilbara Marine Pty Ltd	Australia	Ordinary	100	100
Karribi Developments Pty Ltd	Australia	Ordinary	100	100
FMG Air Pty Ltd	Australia	Ordinary	100	100
FMG Procurement Services Pty Ltd	Australia	Ordinary	100	100
Pilbara Housing Services Pty Ltd	Australia	Ordinary	100	100
FMG Autonomy Pty Ltd	Australia	Ordinary	100	100
Pilbara Iron Ore Pty Ltd	Australia	Ordinary	100	100
Pilbara Energy Company Pty Ltd	Australia	Ordinary	100	100
Pilbara Energy (Generation) Pty Ltd	Australia	Ordinary	100	100
FMG Clean Energy Pty Ltd	Australia	Ordinary	100	100
FMG Solomon Pty Ltd	Australia	Ordinary	100	100
FMG Resources (August 2006) Pty Ltd	Australia	Ordinary	100	100
FMG Trading Shanghai Co., Ltd	China	Ordinary	100	100
FMG Hong Kong Shipping Ltd	Hong Kong	Ordinary	100	100
FMG Exploration Pty Ltd	Australia	Ordinary	100	100
FMG Resources Pty Ltd	Australia	Ordinary	100	100
FMG International Exploration Pte Ltd	Singapore	Ordinary	100	100
Argentina Fortescue S.A.U.	Argentina	Ordinary	100	100
Ivindo Iron SA	Gabon	Ordinary	72	72

OTHER

22 Interests in other entities (continued)

(a) Subsidiaries (continued)

	Country of incorporation	Class of shares	Equity holding 2024 %	Equity holding 2023 %
Energy Segment				
Fortescue Future Industries Pty Ltd	Australia	Ordinary	100	100
Fortescue WAE Pty Ltd (formerly WAE Technologies HoldCo Pty Ltd)	Australia	Ordinary	100	100
Fortescue Zero Limited (formerly WAE Technologies Ltd)	United Kingdom	Ordinary	100	100
FFI USA Investments Inc	USA	Ordinary	100	100
FFI Phoenix Hub Holdings LLC	USA	Ordinary	100	100
Phoenix Hydrogen Hub LLC	USA	Ordinary	100	100
USA Fortescue Holdings Inc	USA	Ordinary	100	–
USA Fortescue Energy Holdings LLC	USA	Ordinary	100	–
MIH2 Pty Ltd	Australia	Ordinary	100	100
Australian Fortescue Future Industries Pty Ltd	Australia	Ordinary	100	100
Fortescue Hydrogen Systems Australia Pty Ltd (formerly Gladstone Fortescue Future Industries Pty Ltd)	Australia	Ordinary	100	100
Australian Fortescue Future Industries Holdings Pty Ltd	Australia	Ordinary	100	100
Netherlands Fortescue Future Industries Holdings B.V.	Netherlands	Ordinary	100	100
Argentina Fortescue Future Industries SA	Argentina	Ordinary	100	100

Entities not included in the list of significant subsidiaries are deemed immaterial in relation to the Group.

(b) Joint operations

The consolidated financial statements incorporate Fortescue's share in the assets, liabilities and results of the following principal joint operations, in accordance with the accounting policy described in note 23(a)(iii).

Joint operations	Country of incorporation	Holding entity	Principal activities	Participating interest 2024	Participating interest 2023
Iron Bridge Joint Venture	Australia	FMG Magnetite Pty Ltd	Development of magnetite assets and production of magnetite concentrate	69%	69%

OTHER

22 Interests in other entities (continued)

(c) Investments accounted for using the equity method

The Group also holds interests in a number of individually immaterial joint ventures and associates that are accounted for using the equity method.

	Associate		Joint ventures		Total	
	2024 US$	2023 US$	2024 US$	2023 US$	2024 US$	2023 US$
Aggregate carrying amount as at 30 June	145	119	115	141	260	260
Aggregate amounts of the Group's share of:						
Loss from operations	(20)	–	(1)	(8)	(21)	(8)

23 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities controlled by the Company. Control exists when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits and losses arising from intra-group transactions, have been eliminated in full. Subsidiaries are consolidated from the effective date of acquisition to the effective date of disposal.

The acquisition method of accounting is used to account for the Group's business combinations. Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred and included in administration expenses.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

OTHER

23 Summary of material accounting policies (continued)

(a) Principles of consolidation (continued)

(ii) Associates

Associates are all entities where the Group holds significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Associates include entities where the Group holds less than 20% of the voting rights, but has determined that it has significant influence over those entities due to the Group having representation on the Board of directors and participation in decisions over the relevant activities of those entities.

Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

A joint arrangement is an arrangement when two or more parties have joint control. Joint control exists when the parties agree contractually to share control over the activities that significantly affect the entity's returns (relevant activities), and the decisions about relevant activities require the unanimous consent of the parties sharing joint control.

Joint arrangements are classified as either joint operations or joint ventures, based on the contractual rights and obligations between the parties to the arrangement.

Joint operations

If the contractual arrangement specifies a right to the assets and the obligations for the liabilities for the parties, the arrangement is classified as joint operation. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses.

These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in note 22(b).

If the contractual arrangement grants the parties the right to the arrangement's net assets, it is classified as a joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 23(q).

OTHER

23 Summary of material accounting policies (continued)

(b) Employee share trust

The Group has formed a trust to administer its employee share schemes. The trust is consolidated as the substance of the relationship is that the trust is controlled by the Group. Shares held by the share trust are disclosed as treasury shares and deducted from contributed equity.

(c) Foreign currency translation

Transactions in foreign currencies have been converted at rates of exchange at the date of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange of the reporting date, with the resulting gains and losses recognised in the income statement, except as set out below:

- For qualifying cash flow hedges, the gains and losses arising on foreign currency translations are deferred in other comprehensive income.
- Translation differences on site rehabilitation provisions are capitalised as part of the development assets.
- Gains and losses on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue recognition

The Group is principally engaged in the business of producing iron ore and providing related freight/shipping services. Revenue is measured at the amount the Group expects to be entitled to in exchange for those goods or services and is recognised at the point at which control of the goods or services is transferred to the customer.

(i) Sale of products

Revenue from the sale of products is recognised when control has passed to the customer, no further work or processing is required by the Group, the quantity and quality of the products have been determined with reasonable accuracy, the price can be reasonably estimated and collectability is reasonably assured.

The above conditions are generally satisfied when title passes to the customer, typically on the bill of lading date when iron ore is delivered to the vessel, or alternatively on collection for port sales.

Revenue is recorded at the invoiced amounts. However, the shipping service represents a separate performance obligation, and is recognised separately from the sale of iron ore over the period during which the shipping service has been provided, along with any associated shipping costs.

Fortescue's iron ore sales contracts, which also include shipping services, may provide for provisional pricing of sales at the time the product is delivered to the vessel with final pricing determined using the relevant price indices on or after the vessel's arrival at the port of discharge. Under AASB 9, the receivable asset is measured at fair value through profit and loss.

(ii) Interest income

Interest income is accrued using the effective interest rate method.

OTHER

23 Summary of material accounting policies (continued)

(e) Deferred income

Deferred income represents payments collected but not earned at the end of the reporting period. These payments are recognised as revenue when the performance obligations are satisfied.

Where deferred income is considered to contain a financing component and if the period of time between the receipt of the upfront cash and the satisfaction of the future performance obligations is greater than 1 year, an interest charge of the upfront amount will be recognised.

(f) Income tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction. Income tax on the profit or loss for the period comprises current and deferred tax.

Current income tax charge is calculated on the basis of the taxation laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Current income tax represents the expected tax payable on the taxable income for the year and any adjustments to tax payable in respect to previous years.

Where the amount of tax payable or recoverable is uncertain, a provision is established based on the Group's understanding of applicable tax law at the time. Settlement of these matters may result in changes to current and deferred income tax if the settlement differs from the provision.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts (subject to the Pillar Two disclosure exception noted below).

However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for future deductible temporary differences and carry forward of unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group continues to monitor the implementation of the Base Erosion and Profit Shifting (BEPS) Pillar Two initiative. These rules seek to ensure a 15% minimum effective tax rate is paid by large multinational groups in each global jurisdiction in which they operate. In this regard, the Australian Government has announced an intention to implement the Pillar Two rules in Australia, retrospectively effective for income years commencing on or after 1 January 2024. The implementing legislation, if enacted, would apply to the Group from 1 July 2024. This legislation was not enacted or substantively enacted at 30 June 2024.

Separately, as at 30 June 2024, BEPS Pillar Two legislation has been enacted or substantively enacted by several overseas jurisdictions in which the Group operates. In each case, the earliest year the rules may potentially apply to the Group is the first income year commencing on or after 1 January 2024 (being 1 July 2024 in the case of the Group). Fortescue is within the scope of Pillar Two, and is therefore expected to become subject to the rules in certain jurisdictions from 1 July 2024.

OTHER

23 Summary of material accounting policies (continued)

(f) Income tax (continued)

As the rules did not yet apply to the Group in any country at 30 June 2024, no current income tax has been recognised as at 30 June 2024 in relation to Pillar Two income taxes. Additionally, consistent with amendments to AASB 112 Income Taxes, the Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes.

Fortescue has undertaken an assessment of its potential exposure to Pillar Two income taxes, based on the most recent tax lodgements, country-by-country reporting and financial statements for members of the Group. That analysis indicates that if the rules had applied to the entire Group in the 30 June 2024 year, no material Pillar Two income tax would be payable by the Group.

Fortescue and its wholly owned Australian controlled entities have implemented the tax consolidation legislation at 1 July 2002, namely the FMG tax consolidated group, and are therefore taxed as a single entity from that date. FMG Iron Bridge (Aust) Pty Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as at 28 September 2011, namely the FMG Iron Bridge tax consolidated group, and are therefore taxed as a single entity from that date. On 1 July 2022, the FMG Iron Bridge tax consolidated group merged with the FMG tax consolidated group, and are therefore taxed as a single entity from this date.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the head entity of the group also recognises the current tax liabilities, or assets, and the deferred tax assets it has assumed from unused tax losses and unused tax credits from controlled entities in the tax consolidated group.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, short-term deposits and other short-term highly liquid investments that are subject to an insignificant risk of changes in value, and are readily convertible to known amounts of cash.

(h) Trade and other receivables

Trade receivables other than iron ore sales receivables and other receivables are recognised at amortised cost using the effective interest method, less an allowance for impairment. Trade receivables with embedded derivatives for provisional pricing are measured at fair value through profit and loss under AASB 9.

The collectability of trade and other receivables is reviewed on a monthly basis. Uncollectable amounts for iron ore sales trade receivables are considered in the measurement of fair value through the income statement under AASB 9. Trade and other receivables that are measured at amortised cost are determined using the expected credit loss model. Total receivables which are known to be uncollectable are written off by reducing the carrying amount directly. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable may not be collected. The amount of the impairment allowance is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment allowance is recognised in the income statement within administration expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other administration expenses.

OTHER

23 Summary of material accounting policies (continued)

(h) Trade and other receivables (continued)

(i) Accrued income

Accrued income primarily relates to the Group's rights to consideration for work performed but not billed at the reporting date. The accrued income is transferred to trade receivables in accordance with contractual terms with the customer, when the rights have become unconditional.

Payments from customers are received based on a billing schedule / milestone basis, as established in the contract.

(i) Inventories

Warehouse stores and materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost for raw materials and stores is determined as the purchase price. Cost of work in progress comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

For partly processed and saleable iron ore, cost is based on the weighted average cost method and includes:

- Materials and production costs, directly attributable to the extraction, processing and transportation of iron ore to the existing location.
- Production and transportation overheads.
- Depreciation of property, plant and equipment used in the extraction, processing and transportation of iron ore.

Iron ore stockpiles represent iron ore that has been extracted and is available for further processing or sale. Quantities are assessed primarily through internal and third party surveys. Where there is an indication that inventories are obsolete or damaged, these inventories are written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Iron ore stockpiles classified as non-current assets reflect stockpiles which are not expected to be utilised within the next 12 months, with the net realisable value calculated on a discounted cashflow basis.

(j) Financial assets

Fortescue classifies its financial assets into the following categories: those to be measured subsequently at fair value, being through either other comprehensive income or through profit and loss, and those that are to be held at amortised cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets held at amortised cost

The Group classifies its financial assets as held at amortised cost only if the asset is held within a business model with the objective to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. The classification of financial assets held at amortised cost applies to Fortescue's loans and receivables. These debt instruments are initially measured at fair value and subsequently carried at amortised cost. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. At the end of each reporting period, loans and receivables are reviewed for impairment.

OTHER

23 Summary of material accounting policies (continued)

(j) Financial assets (continued)

(ii) Financial assets held at fair value through other comprehensive income (FVOCI)

The Group's classification of financial assets held at fair value through other comprehensive income applies to equity investments where the Group has made the irrevocable election to present the fair value gains or losses on revaluation of the asset in other comprehensive income. This election can be made for each investment; however, it is not applicable to equity investments which are held for trading. These assets are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. These instruments are recognised at fair value, with changes in fair value being recognised directly in other comprehensive income.

(iii) Financial assets held at fair value through profit or loss (FVPL)

This category comprises trade receivables including the quotation period for the sale of iron ore, derivatives (unless designated as effective hedging instruments) and equity investments which are held for trading or where the FVOCI election has not been applied. They are carried on the consolidated statement of financial position at fair value with changes in fair value or dividend income recognised in profit or loss with any associated changes in fair value recognised in the income statement. The receivables relating to quotation period for the sale of iron ore are recorded as trade receivables.

(k) Financial liabilities

(i) Trade payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid.

(ii) Borrowings

Borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expired, or when the terms of an existing borrowing are substantially modified. Any difference between the carrying amount of a derecognised liability and the carrying amount of the new liability is recognised in the income statement.

(l) Property, plant and equipment

(i) Recognition and measurement

Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing an asset to a working condition ready for its intended use. Assets under construction are recognised in assets under development. Upon commissioning, which is the date when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, the assets are transferred into property, plant and equipment or development assets, as appropriate.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised. Costs required for dismantling and rehabilitation are included in rehabilitation estimates. Further information on rehabilitation is in note 23(p).

OTHER

23 Summary of material accounting policies (continued)

(l) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

When separate parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Gains and losses arising on disposal of property, plant and equipment are recognised in the income statement and determined by comparing proceeds from the sale of the assets to their carrying amount.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these subsequent costs will flow to Fortescue and the cost of the item can be measured reliably. Ongoing repairs and maintenance are recognised as an expense in the income statement during the financial period in which they are incurred.

(iii) Depreciation

Depreciation of assets, other than land which is not depreciated, is calculated using the straight-line method or units of production method, net of residual values, over estimated useful lives. Depreciation commences on the date when an asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Assets acquired under leases are depreciated over the shorter of the individual asset's useful life and the lease term.

Straight-line method

Where the useful life is not linked to the quantities of iron ore produced or when doing so results in depreciation charges that do not reflect the asset's useful life, assets are generally depreciated on a straight-line basis. The estimated useful lives for the principal categories of property, plant and equipment depreciated on a straight-line basis are as follows:

- Buildings 20 to 40 years
- Rolling stock 25 to 30 years
- Plant and equipment 2 to 20 years
- Rail and port infrastructure assets 40 to 50 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

Units of production method

Where the useful life of an asset is directly linked to the extraction of iron ore from a mine, the asset is depreciated using the units of production method, unless doing so results in depreciation charges that do not reflect the asset's useful life and the straight-line basis is the more appropriate method.

The units of production method is an amortised charge proportional to the depletion of the estimated proven and probable reserves at the mines.

OTHER

23 Summary of material accounting policies (continued)

(l) Property, plant and equipment (continued)

(iv) Exploration and evaluation expenditure

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditure incurred is accumulated and capitalised in respect of each identifiable area of interest, and carried forward to the extent that:

- Rights to tenure of the identifiable area of interest are current.
- At least one of the following conditions is also met:

(i) The expenditure is expected to be recouped through the successful development of the identifiable area of interest, alternatively by its sale; or

(ii) Where activities in the identifiable area of interest have not, at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and activities in, or in relation to, the area of interest, are continuing.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and tested for impairment where such indicators exist. If the test indicates that the carrying value might not be recoverable, the asset is written down to its recoverable amount. These charges are recognised within exploration, development and other expenses in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to development expenditure.

(v) Development expenditure

Development expenditure includes capitalised exploration and evaluation costs, pre-production development costs, development studies and other expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Development costs are accumulated in respect of each separate area of interest. Costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management are capitalised. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned or the Directors decide that it is not commercially or technically feasible, any accumulated cost in respect of that area is written off in the financial period that the decision is made. Each area of interest is reviewed at the end of each accounting period and the accumulated costs written off to the income statement to the extent that they will not be recoverable in the future.

Amortisation of development costs capitalised is charged on a unit of production basis over the life of estimated proven and probable reserves at the mines.

OTHER

23 Summary of material accounting policies (continued)

(m) Stripping costs

(i) Development stripping costs

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development stripping and the directly attributable costs, inclusive of an allocation of relevant overhead expenditure, are capitalised as development costs.

Capitalisation of development stripping costs ceases and amortisation of those capitalised costs commences upon commercial extraction of ore.

Amortisation of capitalised development stripping costs is determined on a unit of production basis for each area of interest.

Development stripping costs are considered in combination with other assets of an operation for the purpose of undertaking impairment assessments.

(ii) Production stripping costs

Overburden and other mine waste materials continue to be removed throughout the production phase of the mine. This activity is referred to as production stripping, and the associated costs charged to the income statement, as operating cost, except when all three criteria below are met:

- Production stripping activity provides improved access to the specific component of the ore body, and it is probable that economic benefit arising from the improved access will be realised in future periods.
- The Group can identify the component of the ore body for which access has been improved.
- The costs relating to the production stripping activity associated with that component can be measured reliably.

If all of the above criteria are met, production stripping costs resulting in improved access to the identified component of the ore body are capitalised as part of development asset and are amortised over the life of the component of the ore body.

The determination of components of the ore body is individual for each mine. The allocation of costs between production stripping activity and the costs of ore produced is performed using relevant production measures, typically strip ratios.

Changes to the mine design, technical and economic parameters affecting life of the components and strip ratios are accounted for prospectively.

(n) Intangible assets

The Group capitalises amounts paid for the acquisition of identifiable intangible assets, such as software, licenses, trademarks and patents, where it is considered they will contribute to future periods through revenue generation or reductions in cost. The cost of intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year end.

The estimated useful lives for the principal categories of intangible assets amortised on a straight-line basis are as follows:

- Computer software 3 years
- Patents and licenses 5 to 20 years

OTHER

23 Summary of material accounting policies (continued)

(n) Intangible assets (continued)

(i) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset only when the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(ii) Goodwill

Goodwill is measured as described in note 23(a)(i). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(o) Leases

The Group enters into contractual arrangements for the leases of mining equipment, vehicles, buildings and other assets. The nature of these arrangements can be lease contracts or service contracts with embedded assets. Typically, the duration of these contracts is for periods of between two and five years, some of which include extension options.

Leases are recognised on the statement of financial position as a right of use asset, representing the lessee's entitlement to the benefits of the identified asset over the lease term, and a lease liability representing the lessee's obligation to make the lease payments. Each lease payment is allocated between its liability and finance cost component. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated on a straight-line basis over the shorter of the useful life of the asset and lease term. When the right of use asset is used in the extraction, processing and transportation of ore, depreciation is included in inventory.

Liabilities arising from contractual arrangements which contain leases are initially measured at the present value of the future lease payments. These payments include the present value of fixed payments prescribed in the contract; variable lease payments based on an index or prescribed rate; amounts expected to be payable by the lessor under residual value guarantees; and exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Right of use assets are initially measured at the amount of the initial lease liability plus any lease payments at or before commencement date less incentives received, plus any initial direct costs, and any costs required for dismantling and rehabilitation. Right of use assets are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, and any adjustment for remeasurement of the lease liability. Lease liabilities are subsequently measured at present value, adjusted for any variations to the underlying contract terms.

OTHER

23 Summary of material accounting policies (continued)

(o) Leases (continued)

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the Group's incremental borrowing rate is used, which is the rate which the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment over a similar term and security.

Payments for short-term leases and low value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are for a period of 12 months or less and contracts involving low value assets typically comprise small items of IT hardware and minor sundry assets.

(p) Rehabilitation provision

Provisions are recognised when Fortescue has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The mining, extraction and processing activities of Fortescue give rise to obligations for site rehabilitation. Rehabilitation obligations include decommissioning of facilities, removal or treatment of waste materials, land rehabilitation and site restoration.

The extent of work required and the associated costs are estimated using current restoration standards and techniques. Provisions for the cost of each rehabilitation program are recognised at the time that environmental disturbance occurs. Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value using Australian Government bond market yields that match, as closely as possible, the timing of the estimated future cash outflows. The judgements and estimates applied for the estimation of the rehabilitation provisions are discussed in note 24.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised into the cost of mine development assets, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised within development assets and is amortised based on the units of production method over the life of the mine. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs.

At each reporting, date the rehabilitation liability is remeasured to account for any new disturbance, updated cost estimates, inflation, changes to the estimated reserves and lives of operations, new regulatory requirements, environmental policies and revised discount rates. Changes to the rehabilitation liability are added to or deducted from the related rehabilitation asset and amortised accordingly.

(q) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an internal review of asset values bi-annually, which is used as a source of information to assess for any indications of impairment. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, an estimate of the asset's recoverable amount is calculated, being the higher of fair value less direct costs to sell and the asset's value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Fair value for mineral assets is generally determined using independent market assumptions to calculate the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal. These cash flows are discounted using an appropriate discount rate to arrive at a net present value of the asset.

OTHER

23 Summary of material accounting policies (continued)

(q) Impairment of non-financial assets (continued)

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Value in use is determined by applying assumptions specific to the Group's continued use and does not take into account future development.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred to as CGUs. CGUs are the smallest identifiable groups of assets and liabilities that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impaired assets are reviewed at each reporting date whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

(r) Finance costs

Finance costs principally represent interest expense and are recognised as incurred except when associated with major projects involving substantial development and construction periods. In addition, finance costs include losses arising on derecognition of finance liabilities at above their carrying value, unwinding of the discount on provisions and bank charges.

Interest expense and other borrowing costs directly attributable to major projects are added to the cost of the project assets until such time as the assets are substantially ready for their intended use or sale. Where funds are used to finance an asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings during the construction period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(s) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries recognised in trade and other payables, and non-monetary benefits and annual leave recognised in provisions that are expected to be settled within 12 months of the reporting date, are classified as current liabilities in respect of employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, probability of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on Australian Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The liability for long service leave for which settlement within 12 months of the reporting date cannot be deferred is recognised in the current provision. The liability for long service leave for which settlement can be deferred beyond 12 months from the reporting date is recognised in the non-current provision.

OTHER

23 Summary of material accounting policies (continued)

(t) Share-based payments

Share-based remuneration benefits are provided to employees under Fortescue's share rights plan, as set out in note 18.

The fair value of rights is measured at grant date and is recognised as an employee benefits expense over the period during which the employees become unconditionally entitled to the rights, with a corresponding increase in equity.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the effect of additional market conditions, the expected dividend yield and the risk free interest rate for the term of the right.

The fair value of the rights granted is measured to reflect expected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing net profit after tax attributable to the ordinary shareholders by the weighted average number of ordinary shares on issue during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit after tax attributable to the ordinary shareholders by the weighted average number of ordinary shares on issue during the financial year, after adjusting for the effects of all potential dilutive ordinary shares that were outstanding during the financial year.

(w) Goods and Services Tax (GST) and other taxes on consumption

Revenues, expenses and assets are recognised net of the amount of associated consumptive tax, except where the amount of consumptive tax incurred is not recoverable from the taxation authority. In these circumstances the consumptive tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of consumptive tax. The net amount of consumptive tax recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis, except for the consumptive tax component of investing and financing activities, which is disclosed as an operating cash flow.

(x) Derivative financial instruments

From time to time, the Group holds derivative financial instruments to hedge its foreign currency and commodity price risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

OTHER

23 Summary of material accounting policies (continued)

(y) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss as other income on a straight-line basis over the expected lives of the related assets.

(z) Comparatives

Where applicable, certain comparatives have been adjusted to conform with current year presentation.

(aa) New accounting standards and interpretations

(i) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2023 and have been adopted by the Group. The amendments listed below did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]*
- *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform –Pillar Two Model Rules [AASB 112]*

(ii) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. These standards and interpretations have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

OTHER

24 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements and estimates and form assumptions that affect how certain assets, liabilities, revenue, expenses and equity are reported. At each reporting period, management evaluates its judgements and estimates based on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Fortescue has identified the following critical accounting policies where significant judgements and estimates are made by management in the preparation of these financial statements.

(a) Iron ore reserve estimates

Iron ore reserves are estimates of the amount of product that can be economically and legally extracted from Fortescue's current mining tenements. In order to calculate ore reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and grade of ore reserves requires the size, shape and depth of ore bodies or fields to be determined by analysing geological data such as drilling samples. This requires complex and difficult geological judgements and calculations to interpret the data.

As economic assumptions used to estimate reserves change and as additional geological data is generated during the course of operations, estimates of reserves may vary from period to period. Changes in reported reserves may affect Fortescue's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the income statement may change where such charges are determined by the units of production method, or where the useful economic lives of assets change.
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of tax benefits.

(b) Exploration and evaluation expenditure - recoverable amount

Fortescue's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

(c) Development expenditure - recoverable amount

Development activities commence after commercial viability and technical feasibility of the project is established. Judgement is applied by management in determining when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to future events. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the relevant capitalised amount will be written off to the income statement.

OTHER

24 Critical accounting estimates and judgements (continued)

(d) Property, plant and equipment – recoverable amount

The determination of FVLCD and value in use requires management to make estimates about expected production and sales volumes, commodity prices, reserves (see 'iron ore reserve estimates' above), operating costs, rehabilitation costs and future capital expenditure. Management also considers the impact of material climate-related risks, both transitional and physical, on estimates of future costs and useful lives of assets. Changes in circumstances may alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged to the income statement.

(i) Iron Bridge CGU - recoverable amount

The Group has used the FVLCD approach to assess the recoverable amount of the Iron Bridge CGU when the Group has completed an impairment assessment. The FVLCD is based on discounted cashflows using market-based exchange rates, commodity prices, expected pricing premiums, estimated quantities of recoverable resources, production levels, operating costs and capital requirements and the cost of its eventual disposal, based on CGU budgets and latest Life of Mine (LoM) plans. Where appropriate, the fair value has included probability weighted scenarios in calculating inputs. These cash flows were discounted using a nominal post-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU.

Production outputs, recoverability of resources and operating and capital costs are based on both LoM plans and internal budgets. Mine closure and rehabilitation is based on a combination of internal estimates on disturbance (based on LoM) and independent experts estimates on fixed infrastructure decommissioning.

(e) Rehabilitation estimates

Fortescue's accounting policy for the recognition of rehabilitation provisions requires significant estimates including the magnitude of possible works required for the removal of infrastructure and of rehabilitation works, future cost of performing the work, the inflation and discount rates and the timing of cash flows. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

(f) Revenue

(i) Revenue from iron ore sales

The transaction price at the date control passes for sales made subject to the provisional pricing mechanism is estimated with reference to quoted index prices. For sales where the final settlement price is yet to be determined, the value of this revenue is adjusted by considering tonnes subject to price finalisation at the end of the period and applying the closing spot rate.

(ii) Revenue from engineering services

Revenue from engineering services is recognised over time, as the services are provided to the customer, based on costs incurred for work performed to date as a percentage of total estimated costs under the contract or amounts billed as a percentage of the contract value. Judgements made that could have a significant effect on the financial report and estimates with a risk of adjustment in the next year are as follows:

- Determination of stage of completion
- Estimation of total contract revenue and contract costs
- Estimation of project completion date.

OTHER

24 Critical accounting estimates and judgements (continued)

(g) Joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements relate to the operating and capital decisions of the arrangement, such as the approval of the capital expenditure program for each year. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries (refer to note 23(a)).

Judgement is also required to classify a joint arrangement as either a joint operation or joint venture. Classifying the arrangement requires the Group to assess its rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:

– the legal form of the separate vehicle

– the terms of the contractual arrangement

– other facts and circumstances (when relevant).

This assessment often requires significant judgement, and a different conclusion on joint control, and also whether the arrangement is a joint operation or joint venture, may materially impact the accounting.

(h) Fair value measurement of financial assets

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

At 30 June 2024

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A) of the *Corporations Act 2001*. The entities listed in the statement are Fortescue Ltd and all its controlled entities in accordance with AASB 10 *Consolidated Financial Statements*.

	NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[i]	PLACE OF INCORPORATION OR FORMATION[ii]	% OF ISSUED CAPITAL HELD[iii]	AUSTRALIAN RESIDENT?[iv]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[v]
1	ACRI Industry Solutions Pty Ltd	Body corporate	No	Australia	100%	Yes	
2	Argentina Fortescue Future Industries S.A.	Body corporate	No	Argentina	100%	No	Argentina
3	Argentina Fortescue S.A.U.	Body corporate	No	Argentina	100%	No	Argentina
4	Argentina Minera S.A.	Body corporate	No	Argentina	100%	No	Argentina
5	Australian Fortescue Future Industries Holdings Pty Ltd	Body corporate	No	Australia	100%	Yes	
6	Australian Fortescue Future Industries Pty Ltd	Body corporate	No	Australia	100%	Yes	
7	Belinga Joint Venture Company Limited	Body corporate	No	United Kingdom	80%	No	United Kingdom
8	Bougainville Fortescue Limited	Body corporate	No	Papua New Guinea	100%	Yes	
9	Brasil Fortescue Mineração Limitada	Body corporate	No	Brazil	100%	No	Brazil
10	Brasil Fortescue Sustainable Industries Limitada	Body corporate	No	Brazil	100%	No	Brazil
11	Cameroon Fortescue Future Industries Ltd	Body corporate	No	Cameroon	100%	No	Cameroon
12	Canada Fortescue Future Industries Ltd	Body corporate	No	Canada	100%	No	Canada
13	CD Hub Pty Ltd	Body corporate	No	Australia	100%	Yes	
14	Chichester Metals Pty Ltd	Body corporate	No	Australia	100%	Yes	
15	Chile Fortescue Future Industries SpA	Body corporate	No	Chile	100%	No	Chile
16	Chile Fortescue SpA	Body corporate	No	Chile	100%	No	Chile
17	Colombia Fortescue SAS	Body corporate	No	Colombia	100%	No	Colombia
18	CSRP Pty Ltd	Body corporate	No	Australia	100%	Yes	
19	Democratic Republic of Congo Fortescue Future Industries Ltd	Body corporate	No	Democratic Republic of Congo	100%	No	Democratic Republic of Congo
20	Ecuador Fortescue S.A.	Body corporate	No	Ecuador	100%	No	Ecuador
21	Energy Resources Fortescue Future Industries Pty Ltd	Body corporate	No	Australia	100%	Yes	
22	FFI Ionix, Inc.	Body corporate	No	United States	100%	No	United States
23	FFI Phoenix Hub Holdings LLC	Body corporate	No	United States	100%	No	United States
24	FFI USA Investments Inc.	Body corporate	No	United States	100%	No	United States
25	FGAM Holdings Inc.	Body corporate	No	United States	100%	No	United States
26	FMG Air Pty Ltd	Body corporate	No	Australia	100%	Yes	
27	FMG America Finance Inc.	Body corporate	No	United States	100%	Yes	

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

At 30 June 2024

	NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[I]	PLACE OF INCORPORATION OR FORMATION[II]	% OF ISSUED CAPITAL HELD[III]	AUSTRALIAN RESIDENT?[IV]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[V]
28	FMG Ashburton Pty Ltd	Body corporate	No	Australia	100%	Yes	
29	FMG Autonomy Pty Ltd	Body corporate	No	Australia	100%	Yes	
30	FMG Chichester Personnel Pty Ltd	Body corporate	No	Australia	100%	Yes	
31	FMG Clean Energy Pty Ltd	Body corporate	No	Australia	100%	Yes	
32	FMG Colombia Operations PTE LTD	Body corporate	No	Singapore	100%	No	Singapore
33	FMG Ecuador Operations PTE LTD	Body corporate	No	Singapore	100%	No	Singapore
34	FMG Ecuador Tenements PTE LTD	Body corporate	No	Singapore	100%	No	Singapore
35	FMG Employee Share Trust	Trust	No	N/A	N/A	Yes	
36	FMG Exploration Pty Ltd	Body corporate	No	Australia	100%	Yes	
37	FMG Hong Kong Shipping Ltd	Body corporate	No	Hong Kong	100%	No	Hong Kong
38	FMG Insurance Singapore Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
39	FMG International Exploration PTE LTD	Body corporate	No	Singapore	100%	No	Singapore
40	FMG International Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
41	FMG International Shipping Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
42	FMG IOC Pty Ltd	Body corporate	No	Australia	100%	Yes	
43	FMG Iron Bridge (Aust) Pty Ltd	Body corporate	No	Australia	100%	Yes	
44	FMG Iron Bridge Limited	Body corporate	No	Hong Kong	100%	Yes	
45	FMG JV Company Pty Ltd	Body corporate	No	Australia	100%	Yes	
46	FMG Magnetite Pty Ltd	Body corporate	Yes	Australia	100%	Yes	
47	FMG North Pilbara Pty Ltd	Body corporate	No	Australia	100%	Yes	
48	FMG Nullagine Pty Ltd	Body corporate	No	Australia	100%	Yes	
49	FMG Nyidinghu Pty Ltd	Body corporate	No	Australia	100%	Yes	
50	FMG Personnel Pty Ltd	Body corporate	No	Australia	100%	Yes	
51	FMG Personnel Services Pty Ltd	Body corporate	No	Australia	100%	Yes	
52	FMG Pilbara Pty Ltd	Body corporate	No	Australia	100%	Yes	
53	FMG Procurement Services Pty Ltd	Body corporate	No	Australia	100%	Yes	
54	FMG Resources (August 2006) Pty Ltd	Body corporate	No	Australia	100%	Yes	
55	FMG Resources Pty Ltd	Body corporate	No	Australia	100%	Yes	
56	FMG Solomon Pty Ltd	Body corporate	No	Australia	100%	Yes	
57	FMG South America Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
58	FMG Trading Shanghai Co., Ltd	Body corporate	No	China	100%	Yes	

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

At 30 June 2024

	NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[i]	PLACE OF INCORPORATION OR FORMATION[ii]	% OF ISSUED CAPITAL HELD[iii]	AUSTRALIAN RESIDENT?[iv]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[v]
59	FMG Training Pty Ltd	Body corporate	No	Australia	100%	Yes	
60	Fortescue Canada Limited	Body corporate	No	Canada	100%	Yes	
61	Fortescue Capital Pty Ltd	Body corporate	No	Australia	100%	Yes	
62	Fortescue Energy Hong Kong Investments Limited	Body corporate	No	Hong Kong	100%	No	Hong Kong
63	Fortescue Energy Pty Ltd	Body corporate	No	Australia	100%	Yes	
64	Fortescue Energy Ventures Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
65	Fortescue Future Chemicals Manufacturing Ethiopia PLC	Body corporate	No	Ethiopia	100%	No	Ethiopia
66	Fortescue Future Industries International Pty Ltd	Body corporate	No	Australia	100%	Yes	
67	Fortescue Future Industries Kenya Ltd	Body corporate	No	Kenya	100%	No	Kenya
68	Fortescue Future Industries Middle East Management Limited	Body corporate	No	United Arab Emirates	100%	No	United Arab Emirates
69	Fortescue Future Industries Namibia (Proprietary) Limited	Body corporate	No	Namibia	100%	No	Namibia
70	Fortescue Future Industries Pty Ltd	Body corporate	No	Australia	100%	Yes	
71	Fortescue Future Industries Pty Ltd PSC (Jordan)	Body corporate	No	Jordan	100%	No	Jordan
72	Fortescue Future Industries Scotland Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
73	Fortescue Future Industries Technologies Pty Ltd	Body corporate	No	Australia	100%	Yes	
74	Fortescue Future Industries United Kingdom Holdings Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
75	Fortescue Global Asset Management LLC	Body corporate	No	United States	100%	No	United States
76	Fortescue Green Technologies Pty Ltd	Body corporate	No	Australia	100%	Yes	
77	Fortescue Hydrogen Systems Australia Pty Ltd	Body corporate	No	Australia	100%	Yes	
78	Fortescue Hydrogen Technology (Hefei) Limited	Body corporate	No	China	100%	No	China
79	Fortescue International Marketing Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
80	Fortescue Ltd	Body corporate	No	Australia	100%	Yes	
81	Fortescue Metals Pty Ltd	Body corporate	No	Australia	100%	Yes	
82	Fortescue One Pty Ltd	Body corporate	No	Australia	100%	Yes	
83	Fortescue Services Pty Ltd	Body corporate	No	Australia	100%	Yes	
84	Fortescue UK Services Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
85	Fortescue WAE Pty Ltd	Body corporate	No	Australia	100%	Yes	
86	Fortescue Zero Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
87	Gibson Island FFI Holdings Pty Ltd	Body corporate	No	Australia	100%	Yes	
88	Gibson Island H² Pty Ltd	Body corporate	No	Australia	100%	Yes	

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

At 30 June 2024

	NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[I]	PLACE OF INCORPORATION OR FORMATION[II]	% OF ISSUED CAPITAL HELD[III]	AUSTRALIAN RESIDENT?[IV]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[V]
89	Gibson Island NH^3 Pty Ltd	Body corporate	No	Australia	100%	Yes	
90	Gladstone H^2 Pty Ltd	Body corporate	No	Australia	100%	Yes	
91	Greenland Fortescue A/S	Body corporate	No	Greenland	100%	No	Greenland
92	Holmaneset H2 AS	Body corporate	No	Norway	100%	No	Norway
93	IB Operations Pty Ltd	Body corporate	No	Australia	69%	Yes	
94	International Bulk Ports Pty Ltd	Body corporate	No	Australia	100%	Yes	
95	IRBR Pty Ltd	Body corporate	No	Australia	100%	Yes	
96	Ivindo Iron SA	Body corporate	No	Gabon	72%	No	Gabon
97	Karribi Developments Pty Ltd	Body corporate	No	Australia	100%	Yes	
98	Kazahkstan Fortescue LLP	Body corporate	Yes	Kazakhstan	100%	No	Kazakhstan
99	Kazakhstan Fortescue Future Industries Limited	Body corporate	No	Kazakhstan	100%	No	Kazakhstan
100	Kazakhstan Fortescue Operations LLP	Body corporate	Yes	Kazakhstan	100%	No	Kazakhstan
101	Masters Way Homes Pty Ltd	Body corporate	Yes	Australia	100%	Yes	
102	MIH2 Pty Ltd	Body corporate	No	Australia	100%	Yes	
103	MIH2 USA People, Inc.	Body corporate	No	United States	100%	No	United States
104	MIH2 USA, LLC	Body corporate	No	United States	100%	No	United States
105	Mula Hemnes H2 AS	Body corporate	No	Norway	100%	No	Norway
106	Nascent Exploration Pty Ltd	Body corporate	No	Australia	100%	Yes	
107	Net Zero Holdings Pty Ltd	Body corporate	No	Australia	100%	Yes	
108	Netherlands Fortescue Future Industries Holdings B.V.	Body corporate	No	Netherlands	100%	No	Netherlands
109	New Zealand Fortescue Future Industries Limited	Body corporate	No	New Zealand	100%	Yes	
110	Norway FFI Holdings AS	Body corporate	No	Norway	100%	No	Norway
111	Papua New Guinea Fortescue Future Industries Ltd	Body corporate	No	Papua New Guinea	100%	No	Papua New Guinea
112	Peru Fortescue SAC	Body corporate	No	Peru	100%	No	Peru
113	Phoenix Hydrogen Hub LLC	Body corporate	No	United States	100%	No	United States
114	Pilbara Energy (Generation) Pty Ltd	Body corporate	No	Australia	100%	Yes	
115	Pilbara Energy Company Pty Ltd	Body corporate	No	Australia	100%	Yes	
116	Pilbara Gas Pipeline Pty Ltd	Body corporate	No	Australia	100%	Yes	
117	Pilbara Green Energy Company Pty Ltd	Body corporate	No	Australia	100%	Yes	
118	Pilbara Housing Services Pty Ltd	Body corporate	Yes	Australia	100%	Yes	
119	Pilbara Iron Ore Pty Ltd	Body corporate	No	Australia	100%	Yes	

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

At 30 June 2024

	NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[I]	PLACE OF INCORPORATION OR FORMATION[II]	% OF ISSUED CAPITAL HELD[III]	AUSTRALIAN RESIDENT?[IV]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[V]
120	Pilbara Marine Pty Ltd	Body corporate	No	Australia	100%	Yes	
121	Pilbara Mining Alliance Pty Ltd	Body corporate	No	Australia	100%	Yes	
122	Pilbara Power Pty Ltd	Body corporate	No	Australia	100%	Yes	
123	Pilbara Water and Power Pty Ltd	Body corporate	No	Australia	69%	Yes	
124	Portugal Fortescue Unipessoal LDA	Body corporate	No	Portugal	100%	Yes	
125	Prairie Renewable Energy Farm Pty Ltd	Body corporate	No	Australia	100%	Yes	
126	PSV Leveque Pte Ltd	Body corporate	No	Singapore	100%	No	Singapore
127	PT Indonesia Fortescue Infrastructure	Body corporate	No	Indonesia	100%	No	Indonesia
128	PT Indonesia Papua Fortescue Future Industries	Body corporate	No	Indonesia	100%	No	Indonesia
129	RZ Net Pty Ltd	Body corporate	No	Australia	100%	Yes	
130	South Africa Fortescue Future Industries (Pty) Ltd	Body corporate	No	South Africa	100%	No	South Africa
131	Southern Cross Wind Pty Ltd	Body corporate	No	Australia	100%	Yes	
132	SS IB Pty Ltd	Body corporate	No	Australia	100%	Yes	
133	Tasmania H2 Pty Ltd	Body corporate	No	Australia	100%	Yes	
134	The Fortescue Employee Housing Plan Trust	Trust	No	N/A	N/A	Yes	
135	The Master Way Homes Unit Trust	Trust	No	N/A	N/A	Yes	
136	The Pilbara Infrastructure Pty Ltd	Body corporate	No	Australia	100%	Yes	
137	Toowong Process Pty Ltd	Body corporate	No	Australia	100%	Yes	
138	USA Fortescue Battery Holdings LLC	Body corporate	No	United States	100%	No	United States
139	USA Fortescue Energy Development LLC	Body corporate	No	United States	100%	No	United States
140	USA Fortescue Energy Holdings LLC	Body corporate	No	United States	100%	No	United States
141	USA Fortescue Facilities LLC	Body corporate	No	United States	100%	No	United States
142	USA Fortescue Future Industries LLC	Body corporate	No	United States	100%	No	United States
143	USA Fortescue Holdings Inc.	Body corporate	No	United States	100%	No	United States
144	USA Fortescue Hydrogen Systems Holdings LLC	Body corporate	No	United States	100%	No	United States
145	USA Fortescue IP, Inc.	Body corporate	No	United States	100%	No	United States
146	USA Fortescue Manufacturing Holdings LLC	Body corporate	No	United States	100%	No	United States
147	USA Fortescue MIH2 Holdings LLC	Body corporate	No	United States	100%	No	United States
148	USA Fortescue Piquette LLC	Body corporate	No	United States	100%	No	United States
149	Viridi S.A.	Body corporate	No	Argentina	100%	No	Argentina

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

At 30 June 2024

NAME OF ENTITY		TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JV?[i]	PLACE OF INCORPORATION OR FORMATION[ii]	% OF ISSUED CAPITAL HELD[iii]	AUSTRALIAN RESIDENT?[iv]	PLACE OF FOREIGN RESIDENCE (IF APPLICABLE)[v]
150	VTEC Services Pty Ltd	Body corporate	No	Australia	100%	Yes	
151	W Hub Pty Ltd	Body corporate	No	Australia	100%	Yes	
152	WAE Joint Ventures Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
153	WAE Technologies Australia Pty Ltd	Body corporate	No	Australia	100%	Yes	
154	WAE Technologies Deutschland GmbH	Body corporate	No	Germany	100%	No	Germany
155	WAE Technologies US LLC	Body corporate	No	United States	100%	No	United States
156	WAE Ventures Limited	Body corporate	No	United Kingdom	100%	No	United Kingdom
157	Wongalee Renewable Energy Farm Pty Ltd	Body corporate	No	Australia	100%	Yes	
158	Zambia Fortescue Limited	Body corporate	No	Zambia	100%	No	Zambia

[i] This item addresses whether, at 30 June 2024, the relevant entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

[ii] For entities that are bodies corporate, this item discloses the place at which the entity was incorporated or formed. This disclosure is not required for entities that are not bodies corporate.

[iii] This item states the percentage of the entity's issued share capital (excluding any part that carries no right to participate beyond a specified amount in a distribution of either profits or capital) that was held, directly or indirectly, by Fortescue Ltd at 30 June 2024. This disclosure is not required for entities that are not bodies corporate.

[iv] For each entity, this item discloses whether the entity was an Australian resident (within the meaning of the Income Tax Assessment Act 1997) as at 30 June 2024. If an entity is disclosed as not being an Australian resident, the entity was a foreign resident (within the meaning of the Income Tax Assessment Act 1997) at 30 June 2024. For entities that are not bodies corporate (i.e. partnerships and trusts), this disclosure has been prepared based on where the entity's central management and control was located as at 30 June 2024.

[v] For entities that were disclosed as foreign resident according to the previous item, this item discloses the jurisdiction outside of Australia in which the entity was a resident for the purposes of the income tax law of the relevant jurisdiction. For entities that were Australian resident (within the meaning of the Income Tax Assessment Act 1997) that are also resident in foreign jurisdictions (i.e. dual resident companies), the Corporations Act 2001 does not require disclosure of their places of foreign residence.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 150 to 210 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position at 30 June 2024 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

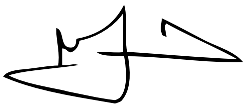
(c) the consolidated entity disclosure statement on pages 211 to 216 required by subsection 295(3A) of the *Corporations Act 2001* is true and correct, and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 20 will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee described in note 20.

Note 1(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Executive Officers and Group Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Dr Andrew Forrest AO
Executive Chairman
Dated in Perth this 28th day of August 2024.

Auditor's Independence Declaration

As lead auditor for the audit of Fortescue Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fortescue Ltd and the entities it controlled during the period.

Chris Dodd
Partner
PricewaterhouseCoopers

Perth
28 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, Level 15, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Independent auditor's report

To the members of Fortescue Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Fortescue Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated income statement for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

The primary activity of the Group is the operation of integrated iron ore mining operations and infrastructure comprising various iron ore mines in the Pilbara region of Western Australia, a rail network and port facilities in Port Hedland. Additionally, the Group is developing and acquiring green energy technologies and projects through the activities of the Fortescue Energy operating segment. Our audit procedures were predominantly performed in Perth, where many of the Corporate and Group Operations functions are centralised. This was supported by visits to Fortescue's mining and energy operations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Finance and Risk Management Committee.

Key audit matter	*How our audit addressed the key audit matter*
Operating sales revenue – iron ore and shipping revenue *(Refer to note 3 and 24(f))* The Group recognised iron ore revenue of US$16,405 million and shipping revenue of US$1,613 million for the year ended 30 June 2024. Fortescue's sales contracts may be provisionally priced at the initial revenue recognition (bill of lading) date, with the final settlement price based on a pre-determined quotation period. Operating sales revenue from these contracts each	We performed the following audit procedures, amongst others, over iron ore and shipping revenue: • We performed tests on a sample basis of IT systems and key controls involved in the calculation of iron ore and shipping revenue, including provisional pricing adjustments to revenue. • We performed analytical procedures over iron ore and shipping revenue, including provisional pricing adjustments. We compared revenue recognised with relevant external price indices and external data over

Key audit matter	How our audit addressed the key audit matter
comprise two parts: (1) Iron ore revenue and shipping revenue recognised at the bill of lading date at current prices; and (2) Provisional pricing adjustments which represent any difference between the revenue recognised at the bill of lading date and the final settlement price. This is a key audit matter given the significance of iron ore and shipping revenue to the consolidated income statement.	Fortescue's shipped tonnes. • For a sample of sales contracts open at balance date, we inspected the sales contracts and assessed key terms of the sale including the volume of sales and duration of any quotation period. • Compared journal entries to supporting documentation for a selection based on risk, including those posted at period-end which impact iron ore and shipping revenue. For a sample of sales contracts with provisional pricing adjustments recorded during the year, we confirmed that the provisional pricing adjustments were appropriately presented within the financial statements by reconciling the separately recorded amounts to invoices.
Restoration and rehabilitation obligations *(Refer to note 13 and 24(e))* The Group recognised provisions for restoration and rehabilitation obligations of US$1,028 million as at 30 June 2024. This is a key audit matter as the calculation of these provisions requires judgement by the Group in estimating the magnitude of possible works required for the removal of infrastructure and rehabilitation activities, the future cost of performing the work, when rehabilitation activities will take place, and the economic assumptions such as inflation and discount rates applied to future liabilities. The judgement required by the Group to estimate such costs is made in circumstances where there has been limited restoration and rehabilitation activity or historical precedent against which to benchmark estimates of future costs. These factors combine to make this area a key audit matter.	To assess the Group's restoration and rehabilitation obligations, we performed the following audit procedures, amongst others: • Developed an understanding of how the Group identified the relevant methods, assumptions, and sources of data, that are appropriate for developing the closure plans and associated cost estimates in the context of the Australian Accounting Standards. • Developed an understanding of the relevant control activities associated with developing the closure plans and associated cost estimates. • We checked the mathematical accuracy of calculations underlying the rehabilitation obligations on a sample basis, and whether the timing of cash flows within the calculations were consistent with latest life of mine plans. • Assessed whether the discount rates used in the rehabilitation calculations were reasonable by comparing them to market data. • Compared significant assumptions used in

Key audit matter	How our audit addressed the key audit matter
	the closure plans and associated cost estimates to other similar costs in the business or external data where appropriate. We assessed provision movements in the year relating to restoration and rehabilitation obligations to determine whether they were consistent with our understanding of the Group's operations and associated rehabilitation plans.
Impairment indicator assessment for the Iron Bridge Cash Generating unit (CGU) *(Refer to note12(a) and 24(d(i)))* In accordance with Australian Accounting Standards and internal policies, the Group is required to assess at each reporting date whether there is any indication that its assets may be impaired. For the financial year ended 30 June 2024, the Group's assessment of the Iron Bridge CGU identified no indicators of impairment and concluded that an impairment test was not required. We consider the impairment indicator assessment a key audit matter given the significance of Iron Bridge CGU assets to the consolidated statement of financial position and significant judgement is required to assess whether there are any indicators of impairment by reviewing iron ore prices, exchange rates, discount rates and other inputs.	To evaluate the Group's impairment indicator assessment of the Iron Bridge CGU we performed the following procedures amongst others : • Developed an understanding of the process by which the Group conducted the impairment indicator assessment and whether it was appropriate under the Australian Accounting Standards. • Assisted by PwC valuation experts in aspects of our work, performed an independent assessment of indicators of impairment, by: - considering future iron ore prices, exchange rates and other inputs, by reviewing both internal information and that published by external economic and industry analysts and participants; - comparing the discount rate used by the Group to market data and industry research; and - evaluating the completeness of the Group's assessment of whether there were any other external or internal sources of information that could indicate that the Iron Bridge CGU may be impaired. • We have assessed the disclosures made in the financial report against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report and a limited assurance conclusion on the Green Bond Allocation Reporting.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Fortescue Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

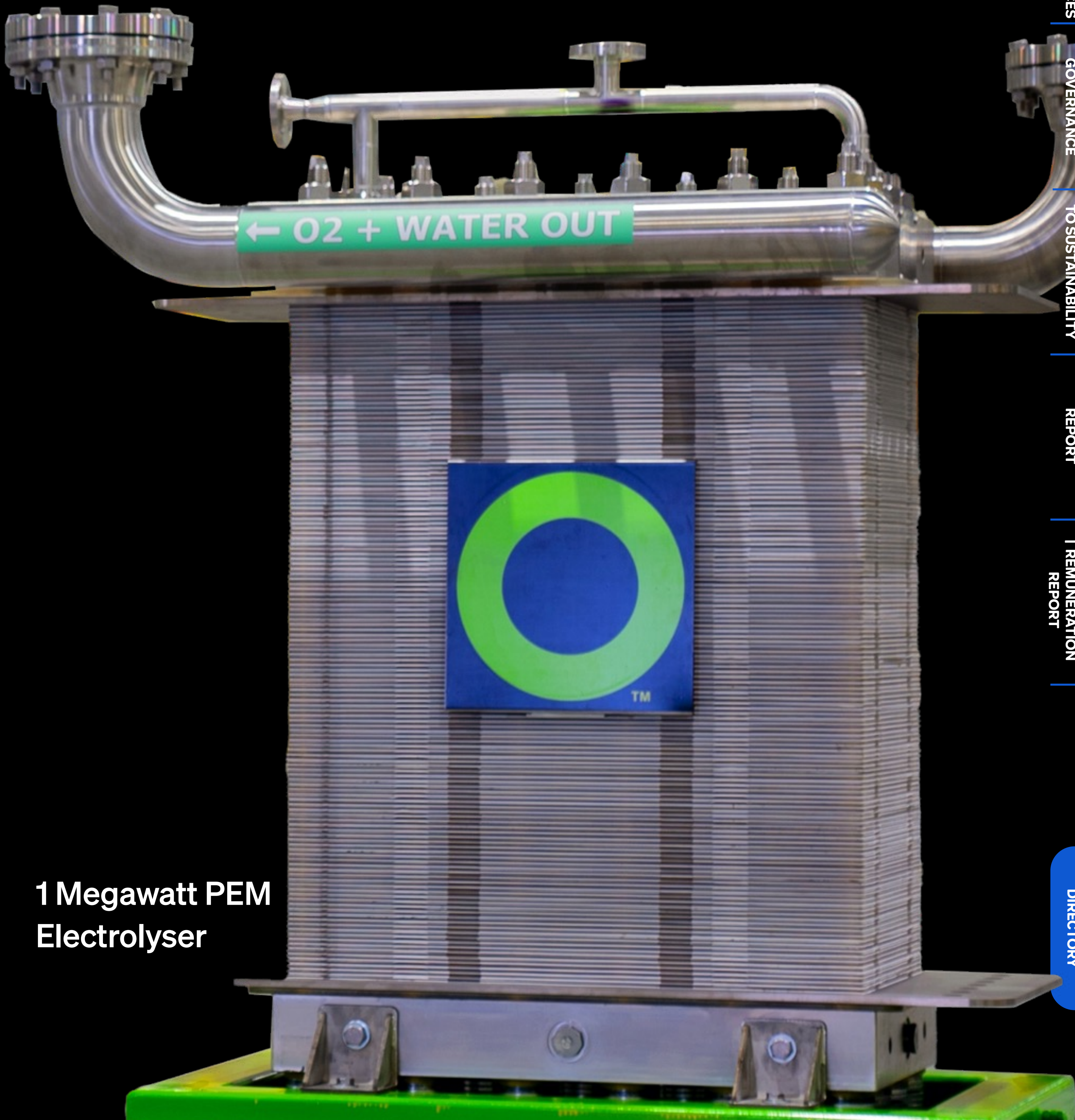
The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Chris Dodd
Partner

Perth
28 August 2024

CORPORATE DIRECTORY



1 Megawatt PEM Electrolyser

Top 20 holders of ordinary shares at 23 August 2024

Rank	Name	Shares number	% of issued capital
1	HSBC Custody Nominees (Australia) Limited	1,479,703,054	48.06
2	J P Morgan Nominees Australia Pty Limited	290,350,329	9.43
3	Valin Investments (Singapore) Pte Ltd	228,007,497	7.41
4	Tattarang Pty Ltd	176,522,507	5.73
5	Citicorp Nominees Pty Limited	139,367,622	4.53
6	Emichrome Pty Ltd	93,045,000	3.02
7	Valin Resources Investments (Singapore) Pte Ltd	37,876,216	1.23
8	BNP Paribas Noms Pty Ltd	31,572,883	1.03
9	BNP Paribas Nominees Pty Ltd	20,414,540	0.66
10	Pacific Custodians Pty Limited	19,870,700	0.65
11	National Nominees Limited	19,305,297	0.63
12	Citicorp Nominees Pty Limited	17,600,389	0.57
13	Pacific Custodians Pty Limited	15,165,269	0.49
14	BNP Paribas Nominees Pty Ltd	13,612,508	0.44
15	HSBC Custody Nominees (Australia) Limited	12,245,069	0.40
16	Invia Custodian Pty Limited	8,244,951	0.27
17	Citicorp Nominess Pty Limited	5,188,830	0.17
18	HSBC Custody Nominees (Australia) Limited	4,446,793	0.14
19	Mr John William Cunningham	4,000,000	0.13
20	HSBC Custody Nominees (Australia) Limited	3,939,825	0.13
		2,620,479,279	**85.11**

SUBSTANTIAL HOLDERS

Rank	Name	Shares number	% of issued capital
1	Tattarang Pty Ltd, Minderoo Foundation Limited, Nicola Margaret Forrest and John Andrew Henry Forrest	1,131,365,000	36.74
2	Hunan Valin Iron and Steel Group Company	267,395,477	8.68

Range	Shareholders number
1 to 1,000	111,876
1,001 to 5,000	43,840
5,001 to 10,000	8,511
10,001 to 100,000	6,032
100,001 and Over	292
Total	**170,551**

UNMARKETABLE PARCELS

There were 7,053 members holding less than a marketable parcel of share in the Company.

To: The Board of Directors of Fortescue Ltd

Independent assurance report on identified Subject Matter Information in Fortescue Ltd's FY24 Annual Report

The Board of Directors of Fortescue Ltd engaged us to perform an independent limited assurance engagement in respect of the Eligible Project Cumulative Spend as at 30 June 2024 (the "Subject Matter") as listed in the Fortescue Ltd (the Company) and its controlled entities' (together the Group) FY24 Annual Report.

Subject Matter Information and Criteria

The Subject Matter Information is set out in the table below:

Table 1 – Subject Matter Information

Eligible Project	*Eligible Category*	*Cumulative Spend as at 30 June 2024 US$m*
Fortescue WAE battery systems	Energy storage	205
Pilbara Generation Project	Renewable energy	161
Pilbara Transmission Project	Renewable energy	183
Green Fleet Energy Hub	Clean transportation	65
Battery Electric Locomotives	Clean transportation	16
Total allocated		**630**

The criteria (the "Criteria") against which we assessed the Subject Matter is the basis of preparation set out on page 41 of the Operating and financial review in the Fortescue FY24 Annual Report.

The maintenance and integrity of the Group's website is the responsibility of the Group's management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on the Group's website.

Our assurance conclusion is with respect to the Subject Matter Information as at 30 June 2024, and does not extend to any other information included in, or linked from, the Fortescue FY24 Annual Report including any images, audio files or videos.

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Responsibilities of Management

The Group's management is responsible for the Subject Matter and for the preparation of the Subject Matter in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to the Group and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

Our Independence and quality management

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1*, Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria as at 30 June 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- made inquiries of the persons responsible for the Subject Matter Information;
- obtained an understanding of the process for collecting and reporting the Subject Matter Information and obtaining supporting evidence to assess the eligibility of the project against the Group's Sustainability Financing Framework (as announced on 9 November 2021);
- obtained supporting evidence to assess the appropriateness of selected estimates, assumptions and methodologies applied by management in the allocation of green bonds proceeds to eligible projects;
- performed limited substantive testing on a selective basis of the Subject Matter Information to assess that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Subject Matter Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter with the Criteria, as it is limited primarily to making enquiries, of the Group's management, and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria as at 30 June 2024.

Emphasis of matter

The basis of preparation of the Pilbara Transmission Project was amended in FY24.

We draw attention to basis of preparation on page 41 which sets out the amendment to the calculation methodology in FY24 and the resultant impact to the cumulative spend of the Pilbara Transmission Project. Our conclusion is not modified in respect of this matter.

Use and distribution of our report

We were engaged by the board of directors of Fortescue Ltd to prepare this independent assurance report having regard to the criteria specified by the Group and set out in this report. This report was prepared solely for Fortescue Ltd to assist the directors in responding to their governance responsibilities by obtaining an limited assurance report in connection with the Subject Matter Information and may not be suitable for any other purpose.

We accept no duty, responsibility or liability to anyone other than the Group in connection with this report or to the Group for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than the Group and if anyone other than the Group chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than the Group receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chris Dodd
Partner

Perth
28 August 2024

GLOSSARY

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.*

ASRS
Australian Sustainability Reporting Standard ED-SR1, a draft of new mandatory disclosure requirements issued by the Australian Accounting Standards Board (AASB), effective from FY26.

ASX
Australian Securities Exchange.

Beneficiation
Beneficiation is a process whereby ore is pulverised into fine particles and the higher grade material is separated, often magnetically, from the gangue (waste).

bt
Billion tonnes.

C1 Costs
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.

CID
Channel Iron Deposit.

CO_2-e
When we refer to emissions, this includes all greenhouse gas emissions, reported in the unit of million tonnes of carbon dioxide equivalent (CO2-e). This is defined as the amount of CO2 that would cause the same temperature rise, over a given time period, as an emitted amount of greenhouse gas or mixture of greenhouse gases. CO2-e is the universal unit of measurement to indicate the aggregate carbon dioxide equivalent emissions of carbon dioxide (CO2), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

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

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.

Emissions intensity
Amount of greenhouse gas emissions produced per unit of economic output.

dmt
Dry metric tonne.

Fe
The chemical symbol for iron.

FFI
Fortescue Future Industries Pty Ltd.

FID
Final Investment Decision, marks the transition from project development and feasibility studies to the actual implementation and construction phase.

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 Ltd (ACN 002 594 872) and its subsidiaries.

Fortescue blend
A blend of ore from Christmas Creek and Firetail mines, with an iron grade of 58.2% Fe.

Fortescue River Gas Pipeline
A 270 kilometre gas pipeline which delivers natural gas from the Dampier to Bunbury Pipeline to the main power station in the Solomon Hub.

FY
Refers to a financial year, end 30 June.

Gearing
Debt / (debt + equity).

Green ammonia
Ammonia is widely used to make fertiliser, but most ammonia today is made from fossil fuels. Green ammonia, in contrast, is 100 per cent renewable. One way to make green ammonia is via the Haber Bosch process. Green hydrogen and nitrogen that has been extracted from the air are reacted together during a process powered by renewable electricity to produce green ammonia, or NH_3.

Green hydrogen
Green hydrogen is hydrogen produced via electrolysis of water. Electrolysis splits the water molecule into its constituents, hydrogen and oxygen. The process must be powered by renewable electricity for the hydrogen to be defined as green.

Green iron
Fortescue defines 'green iron' as the end product resulting from processing iron ore into iron, using renewable energy and with near zero carbon emissions.

Green iron ore
Iron ore that has been mined without the use of fossil fuels, i.e. using haul trucks and other equipment that runs on battery electric or green hydrogen based technologies.

Green metals
Fortescue defines 'green metal' as metal ore mined and processed into metal using renewable energy and with near zero carbon emissions. This green metal definition similarly applies to processing iron ore into iron.

Green metallic iron
Metallic iron made through the reduction of iron ore using 100 per cent renewable energy and no fossil fuels.

Green shipping fuels
Shipping fuels made without using fossil fuels, such as green ammonia.

Green steel
Steel made using green iron, powered by 100 per cent renewable energy.

GJ
Gigajoules, or 1,000,000,000 joules.

GW
Giga watt, or 1,000,000,000 watts.

GWh
Giga watt hours.

Ha
Hectares.

HME
Heavy Mining Equipment, includes large machinery used for the extraction, transportation, and processing of iron ore, such as diggers, excavators, haul trucks and drilling units.

Hematite
An iron ore compound with an average iron 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.

Indigenous Land Use Agreement (ILUA)
Statutory agreement between a native title group and others about the use of land and waters.

Indicated Mineral Resource
An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.

Inferred Mineral Resource
An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

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

IUCN
International Union for Conservation of Nature.

IPCC
Intergovernmental Panel on Climate Change, a United Nations body that assesses the science related to climate change, providing policymakers with regular scientific assessments and guidance on climate-related issues.

JORC Code
The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition, each prepared by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia, as amended or supplemented from time to time.

Kings CID Fines
Fortescue's standalone product produced from Channel Iron Deposit Ore from its Kings Valley mine in the Solomon Hub, with an iron content of 57.3% Fe.

KMP
Key management personnel 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.

LCA
Life cycle assessment.

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 pelletised for direct use as a high-grade raw material for steel production.

Measured Mineral Resource
A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality) densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Reserve or under certain circumstances to a Probable Ore Reserve.

Mt
Million tonnes.

mtpa
Million tonnes per annum.

MW
Mega watt, or 1,000,000 watts.

MWh
Mega watt hours.

Net gearing
(Debt - cash) / (debt - cash + equity).

NPAT
Net profit after tax.

OEM
Original Equipment Manufacturers.

OPF
Ore Processing Facility.

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

Pilbara Energy Connect (PEC)
Fortescue's energy generation and transmission program of works.

Probable Ore Reserve
As defined in the JORC Code, the economically mineable part of an Indicated Resource, and in some circumstances, a Measured 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.

Proved Ore Reserve
As defined in the JORC Code, the economically mineable part of a Measured 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.

Real zero
Real Zero refers to no fossil fuels and no offsets. Fortescue has a plan to decarbonise our Australian terrestrial iron ore operations (Scope 1 and 2) in the Pilbara by 2030. We have identified the solutions needed to eliminate approximately 90 per cent of terrestrial Scope 1 and 2 emissions from our Australian iron ore operations and are actively working to identify solutions for the final approximately 10 per cent. We are also finalising our plan for how to eliminate Fortescue's remaining Scope 1 and 2 emissions from across our operations, including Fortescue Energy. Fortescue will no longer buy voluntary carbon offsets unless required by law, as offsets have been shown to be troubled by extensive concerns about quality, lack of additionality and an inability to deliver real reductions in emissions. Through Fortescue Energy, we are also going to give the world an alternative to fossil fuels.

Reserves or Ore Reserves
As defined in the JORC Code, the economically mineable part of a Measured 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. Ore reserves are subdivided in order of increasing confidence into Probable Ore Reserves and Proved Ore 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 subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Where capitalised, this term refers to Fortescue's estimated Mineral Resources.

Scope 1 emissions
Scope 1 emissions are direct emissions that are from sources owned or controlled by an entity.

Scope 2 emissions
Scope 2 refers to emissions associated with the production of electricity, heat, or steam purchased by an entity.

Scope 3 emissions
Scope 3 refers to all other indirect emissions associated with activities or facilities not owned or controlled by the entity, including both upstream and downstream emissions.

Senior executive
Leadership position title of Director or Group Manager.

Solomon Hub
A mining hub with Firetail, Kings Valley and Queens Valley mines.

Super Special Fines
Fortescue's iron ore product from the Chichester Hub, with an iron content of 56.4% Fe.

TCFD
The Taskforce on Climate-related Financial Disclosures, which the Financial Stability Board established to develop recommendations for more effective climate-related disclosures that enable a better understanding of carbon related assets and exposures to climate-related risks.

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

Total global economic contribution
Payments that contribute to the global economy including payments to suppliers, employees (salaries and wages), governments (taxes and royalties), shareholders and investors (dividends and debt repayments).

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.

Underlying net profit after tax
Net profit after tax (NPAT) adjusted for results adjusted for the removal of significant non-cash and non-recurring items.

VTEC
Vocational Training and Employment Centre.

Western Hub
The Western Hub includes the Firetail, Kings and Queens, Eliwana and Flying Fish deposits.

wmt
Wet metric tonne.

Zero emissions
When used in relation to vehicles means that (a) a vehicle's exhaust only emits water vapour when in operation or (b) the vehicle is battery electric powered without any exhaust emissions.

DISCLAIMER

Our report contains certain statements which may constitute "forward-looking statements". Words that may indicate a forward-looking statement include words such as "intend", "aim", "ambition", "commitment", "aspiration", "project", "anticipate", "likely", "estimate", "plan", "believes", "expects", "may", "should", "could", "will", "forecast", "target", "set to" or similar expressions.

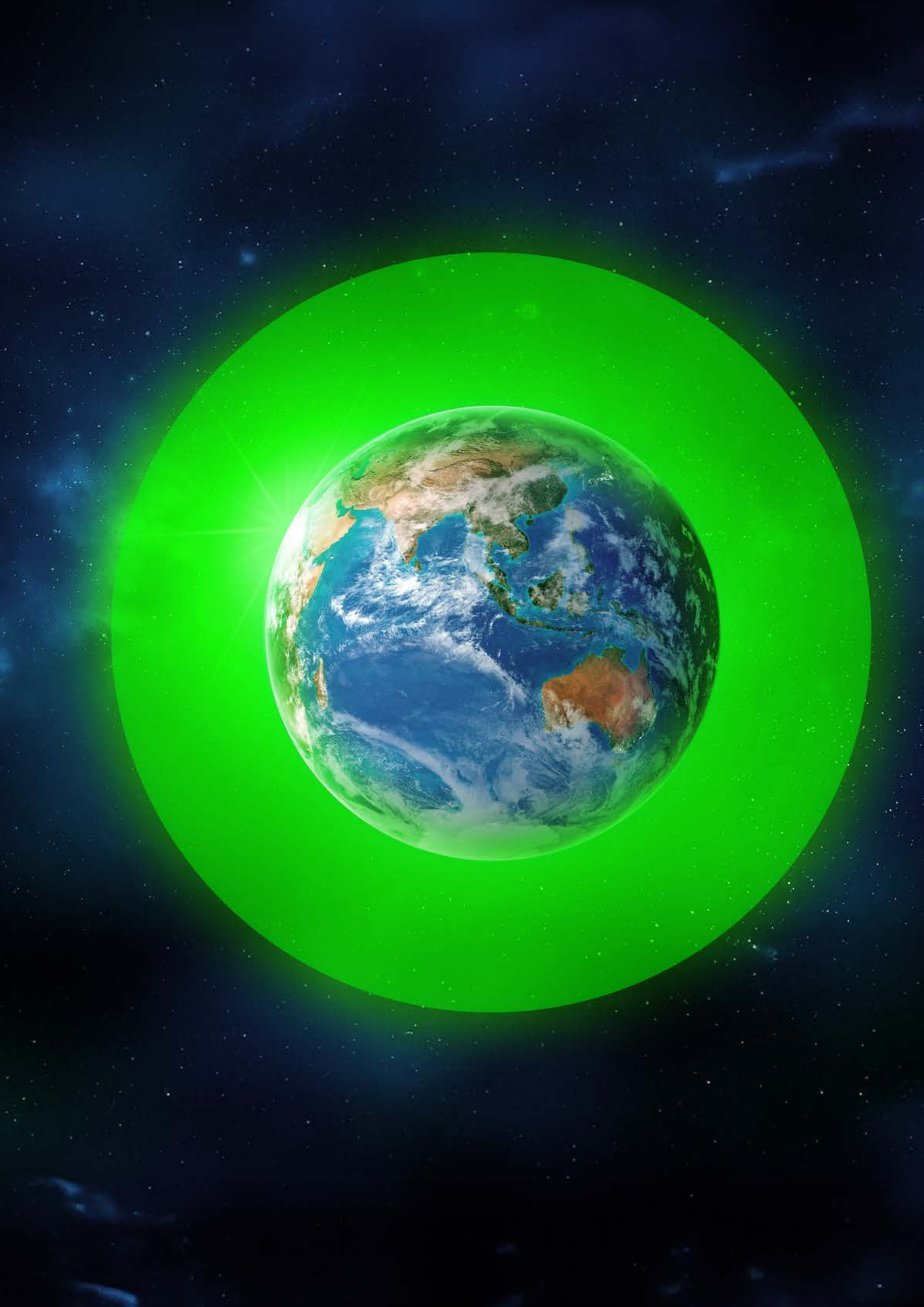
Examples of forward-looking statements include: our projected and expected production and performance levels; our plans for major projects including investment decisions; our expectations regarding future demand for certain commodities; the assumptions and conclusions in our climate change related statements and strategies; and our plan to achieve Real Zero as described in this report.

Any forward-looking statements in this report reflect the expectations held at the date of this document. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual decisions, results, values, achievements or performance to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements are based on assumptions regarding Fortescue's present and future business strategies and the future conditions in which Fortescue expects to operate. Forward-looking statements are also based on management's current expectations and reflect judgments, assumptions and information available as at the date of this report. Actual and future events may vary materially from the forward-looking statements made (and the conclusions and assumptions on which the forward-looking statements were based) because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations.

Some of the various factors that could cause Fortescue's actual results, achievements or performance to differ from those in forward-looking statements include: geopolitical and political uncertainty; trade tensions between major economies; the impacts of climate change; supply chain availability and shortages; the impacts of technological advancements including but not limited to the viability, availability, scalability and cost-effectiveness of technologies that can be used to decarbonise our business; our ability to profitably produce and transport minerals and/or metals extracted to applicable markets; the availability of skilled personnel to help us decarbonise and grow our businesses; new ore resource levels, including the results of exploration programmes and/or acquisitions; inadequate estimates of ore resources and reserves; our ability to successfully execute and/or realise value from acquisitions and divestments; our ability to raise sufficient funds for capital investment; disruption to strategic partnerships; damage to Fortescue's relationships with communities and governments; labour unrest; our ability to attract and retain requisite skilled people; declines in commodity prices; adverse exchange rate movements; delays or overruns in projects; change in tax and other regulations; cybersecurity breaches; the impacts of water scarcity; natural disasters; the ongoing impacts of the COVID-19 pandemic, or other epidemic or pandemic; safety incidents and major hazard events; and increasing societal and investor expectations, including those regarding environmental, social and governance considerations.

Accordingly, forward-looking statements must be considered in light of the above factors, and others, and Fortescue cautions against undue reliance on such statements. Recipients should rely on their own independent enquiries, investigations and advice regarding information contained in this report. Fortescue makes no representation, guarantee, warranty or assurance, express or implied, as to the accuracy or likelihood of the forward-looking statements or any outcomes expressed or implied in any forward-looking statements contained in this report being achieved or proved to be correct.

Except as required by applicable regulations or by law, Fortescue disclaims any obligation or undertaking to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

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