



2003 - 2023

WE ARE FORTESCUE

40

20 YEAR
ANNIVERSARY

FY23 MODERN
SLAVERY
STATEMENT

THE POWER OF NOW

The driving force for our green future

Our Values will never change

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

Culture

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

Safety

Family

Empowerment

Frugality

Stretch targets

Integrity

Enthusiasm

**Courage and
determination**

**Generating
ideas**

Humility

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To view the full suite of reports

FY23 Annual Report



FY23 Climate Change Report



FY23 Sustainability Report



Scan the QR code for more information:



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Important note

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

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.

Colour Inspiration



The Fortescue journey by artist Bobbi Lockyer.

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

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

ABOUT THIS STATEMENT



This statement has been prepared to meet the requirements of the Australian *Modern Slavery Act 2018 (Cth)* (the Act) for the financial year 1 July 2022 to 30 June 2023.

This is a joint statement made under section 14 of the Act on behalf of Fortescue Ltd (ABN 57 002 594 872) and the additional reporting entities set out in Table 1 of Appendix 2 (together, the 'reporting entities').

It details the actions taken by the reporting entities, and their owned and/or controlled entities, to identify and address the modern slavery risks in their operations and supply chains except for WAE Technologies (Fortescue WAE). Fortescue WAE maintains separate processes and procedures and publishes a separate modern slavery statement in compliance with the United Kingdom *Modern Slavery Act 2015 (UK)*.

Unless expressly stated otherwise, all references to 'our', 'we', 'us', the Company, the Group or Fortescue refer to Fortescue Ltd and its subsidiaries including the reporting entities (except for Fortescue WAE unless specifically stated).

All references to year are to the financial year ending 30 June 2023 unless otherwise stated. All monetary values are listed in Australian dollars (\$) unless otherwise stated.

The definition of modern slavery in the Act is adopted in our statement, which includes slavery, servitude, forced labour, debt bondage, forced marriage, trafficking of persons, deceptive recruitment practices for labour/services, and the worst forms of child labour.

This statement forms part of our annual reporting suite which includes our FY23 Annual Report, FY23 Climate Change Report, FY23 Sustainability Report and FY23 Corporate Governance Statement, all of which are available on our website at www.fortescue.com

Consultation

The preparation of this statement was led by Fortescue's Sustainability Team with responsibility for Fortescue's human rights and modern slavery work programs, with input from Metals Procurement and Logistics; Energy Contracts, Procurement and Supply Chain; Global Governance and Compliance; Marketing and Shipping; Global Corporate Communications; Legal; People; Company Secretary Office; Risk and Assurance and Treasury teams.

The statement was prepared in consultation with the Executive Leadership Team of Fortescue comprising the Chief Executive Officers and Chief Financial Officers of Fortescue Metals and Fortescue Energy, and executive directors with functional responsibility for the day-to-day activities of Fortescue's owned and controlled entities; and the directors of each reporting entity (listed in Table 1 of Appendix 2).

Approval and signature

The Statement was approved by Fortescue's Board of Directors on 20 November 2023 and signed by Fortescue's Executive Chairman (page 5), on behalf of all reporting entities.

Assurance

Management has sought independent, third party verification of material metrics in this statement, including supply chain data, training data, vessel inspections, grievance data and data reported against Fortescue's Key Performance Indicators.

Feedback

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

EXECUTIVE CHAIRMAN'S MESSAGE

As I write this message, millions of people globally are living and working in unimaginable conditions. They are being tricked, coerced or forced into exploitive situations that they cannot refuse or leave. It's estimated 50 million people are living in modern slavery on any given day, with women, children, and migrant workers the most vulnerable.

No nation is free from the terrible abuses and violence that go hand in hand with these human rights violations. That includes Australia, the United Kingdom, the United States and every other country on this planet.

Modern slavery is a system failure and fighting it requires system-wide effort. Promises and statements of good intent are no longer enough. We must move from intention to action and put our strong words into even stronger actions.

As outlined in Walk Free's 2023 Global Slavery Index, the environmental consequences of climate change exacerbate the risk of modern slavery, forcing millions of people to migrate in unplanned ways and putting them at higher risk of exploitation. Extreme weather events, already shocking, are becoming more deadly and destructive to communities, fuelled by rising humidity as the planet's oceans warm. Forced labour and child labour is well documented in the supply chain of renewable energy industries, critical for our transition away from fossil fuels to green energy.

Green energy at global scale is the solution to the climate crisis but not at any cost – we must make sure that our new renewable industries are free of modern slavery and have a positive impact on communities. As Fortescue works towards its goal of becoming the number 1 global green technology, energy and metals company, we know we must play a huge role in addressing modern slavery. We remain firmly committed to a just transition and we are working collaboratively with our suppliers, communities, and governments around the world to eradicate our exposure to modern slavery.



This year, we updated our Human Rights Policy, reaffirming our rejection of modern slavery and making a commitment to fair and living wages. We enhanced our supply chain due diligence approach by updating existing processes and introducing new tools such as our Modern Slavery Investigation and Remediation Tool. In true Fortescue style, we are always striving for continuous improvement and this year, we piloted new forensic technology to better identify modern slavery risks in our supply chains. We know we still have more work to do, and we are working on improving how we track the issuing of supplier self-assessment questionnaires to our high-risk suppliers.

We urge every Executive in every company to place this issue at the heart of their business strategy. Eradicating modern slavery requires transparency and accountability. We must be brave enough to look deep into our supply chains to seek out these practices, confront them and work to change them.

This statement is our commitment to be transparent about the ways in which we succeeded in FY23, and critically, be open about the areas where we are failing or can do better.

We are committed to be world leading in eradicating modern slavery. We will continue to work closely with our vendors, seeking to understand their approach to managing modern slavery risks and providing support.

As Fortescue's global footprint expands, we will also continue to work with governments to drive awareness of modern slavery and the need for urgent and effective action.

Dr Andrew Forrest AO
Executive Chairman

OVERVIEW

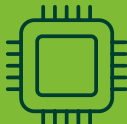
FY23 HIGHLIGHTS



Human Rights Policy reviewed and updated



Piloted Labour Self-Assessment Questionnaire



Piloted forensic traceability technology



Developed new modern slavery investigation and remediation tool



8,371

Employees completed Online Training Module



Delivered joint forced labour training exercise with renewable technology supplier

OPERATIONS AND SUPPLY CHAIN HIGHLIGHTS



13,745

employees (including labour hire)



1,666

employees on labour hire contracts



12,586

employees in Australia



\$9.9

billion total spend



3,994

Tier 1 suppliers



Top 5 source countries

Australia; United States of America; China; Argentina; Netherlands

ABOUT FORTESCUE



Our structure and operations

Since our founding in 2003, Fortescue has become one of the world's largest producers of iron ore – globally recognised for its world leading approach to building low-cost, large-scale infrastructure.

Fortescue Ltd, the Group's parent company, is listed on the Australian Securities Exchange (ASX). It holds a number of owned and controlled entities, including the reporting entities and other key subsidiaries described in Appendix 2.

Fortescue has two divisions – Metals and Energy. They work together for Fortescue as a whole, to ensure allocation of resources is prioritised across the divisions.

Our Metals division focuses on our Australian and global iron ore deposits, exploration into new fields and the development of green iron technologies for future use.

Fortescue Energy comprises Fortescue Future Industries (FFI), Fortescue WAE and Fortescue Hydrogen Systems. FFI was established by Fortescue in FY21 to pursue green energy opportunities globally and Fortescue WAE was acquired by Fortescue in March 2022.

Our workforce

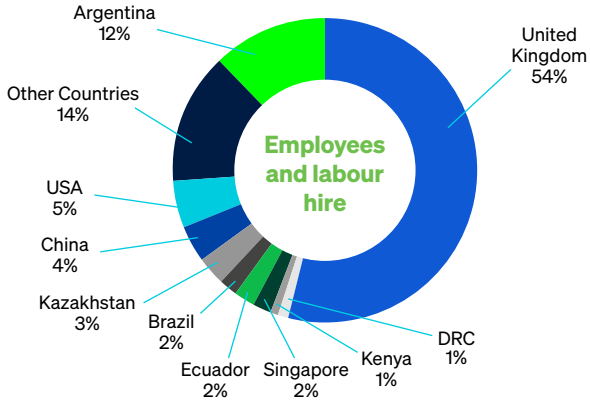
As at 30 June 2023, we employed 13,745 people across the Fortescue Group. Of our employees, 11,226 worked in permanent full-time roles, 312 worked in permanent part time roles, 464 worked in fixed term full time roles, 33 worked in fixed term part time roles, 44 worked on a casual basis, and 1,666 people worked under labour hire contracts.

We have 12,586 employees based in Australia with a remainder working overseas in more than 30 countries, including the United Kingdom, Argentina, USA and China. Within our Energy business, 20 per cent of employees are based overseas. In Australia, 43 per cent of our employees are covered by enterprise agreements.

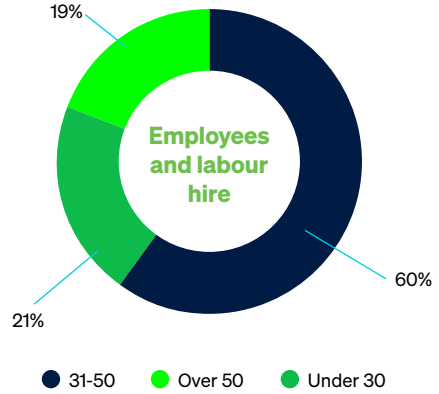
For more information about our workforce, see pages 18 and 36-46 of our Sustainability Report.



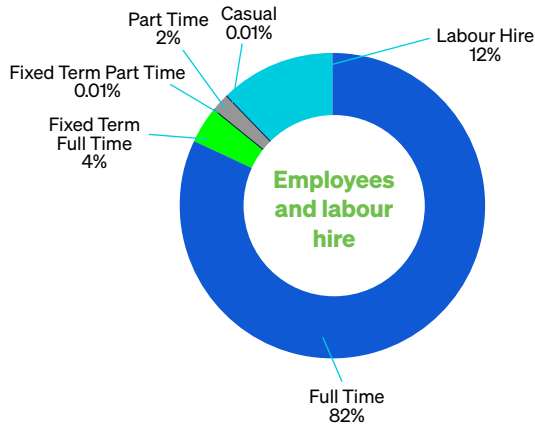
Locations of Employment – Outside of Australia



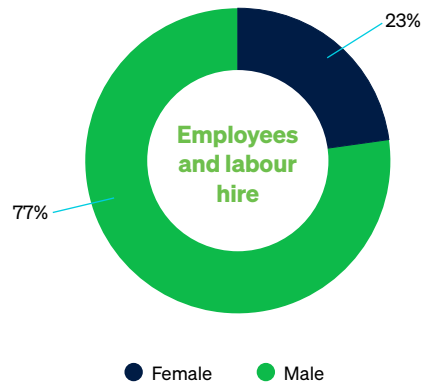
Age



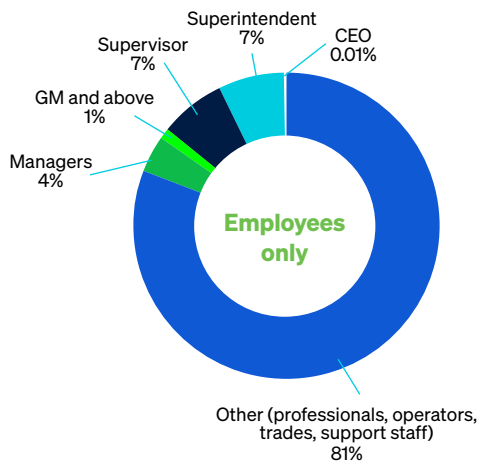
Contract Type



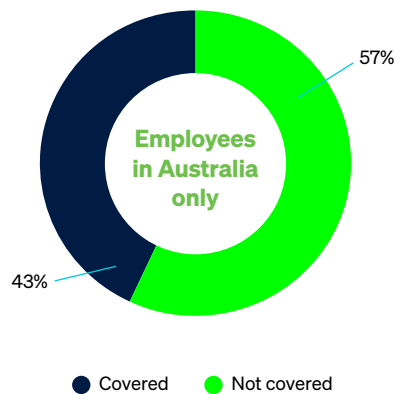
Gender



Role



Employees covered by Enterprise Agreements



FORTESCUE METALS

Since Fortescue's first commercial shipment of 180,000 tonnes of iron ore departed from Port Hedland, Western Australia to China in May 2008, Fortescue has remained a major, integral supplier of iron ore to the Chinese steel industry. Fortescue is now shipping at an annual rate of over 180 million tonnes with more than 2.0 billion tonnes of iron ore delivered to its customers since 2008.

Chichester Hub

Our Chichester Hub in the Chichester Ranges includes the Cloudbreak and Christmas Creek mines and has an annual production capacity of approximately 100 million tonnes per annum (mtpa) from three ore processing facilities (OPFs). Our Chichester Hub draws power from a 60MW solar farm owned and managed by a third party, which powers Fortescue's daytime operations at Cloudbreak and Christmas Creek.

Western Hub

The Solomon Hub in the Hamersley Ranges is located 60km north of Tom Price and 120km to the west of our Chichester Hub. Solomon represents a valuable source of production, enabling the blend of higher iron grade Firetail ore with ore from Eliwana and the Chichester Hub to create our Fortescue's Blend product.

It comprises the Firetail, Kings Valley and Queens Valley mines which together have a production range of 65 to 70mtpa. The expansion to Queens Valley has enabled continued production of the Kings Fines product.

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

Iron Bridge

Iron Bridge signifies Fortescue's entry into the high grade segment of the iron ore market, providing an enhanced product range while also increasing annual production and shipping capacity. Located 145km south of Port Hedland, Iron Bridge is Fortescue's first magnetite operation and incorporates the North Star and Glacier Valley magnetite ore bodies. Unlike Fortescue's hematite operations, Iron Bridge produces a wet concentrate product which is transported to Port Hedland through a 135km specialist slurry pipeline where dewatering and materials handling occurs. In coming years, low-cost power will be delivered to Iron Bridge

through Fortescue's investment in the Pilbara Energy Connect project, which includes energy transmission line infrastructure, solar gas hybrid generation and associated battery storage solution. Iron Bridge is an unincorporated joint venture between FMG Magnetite Pty Ltd (69 per cent) and Formosa Steel IB Pty Ltd (31 per cent).

Hedland operations

Fortescue wholly owns and operates purpose-built rail and port facilities, including 760km of rail that connects our two hubs to Herb Elliott Port and the Judith Street Harbour towage infrastructure in Port Hedland. Designed to complement the port infrastructure, Fortescue owns and operates a fleet of eight 260,000 tonne capacity Fortescue ore carriers which deliver approximately 10 per cent of our shipping requirements.

Integrated Operations Centre

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

Belinga Iron Ore Project, Gabon

The Belinga Iron Ore Project in Gabon is Fortescue's first iron ore project outside of Australia. In February 2023, Fortescue, through its incorporated joint venture company, Ivindo Iron SA, successfully signed a Mining Convention with the Government of Gabon. This governs all legal, fiscal and regulatory regimes for the project. Further legislation is proposed to be enacted during FY24 to give further effect to the above arrangements. First ore was transported to port in June 2023 and shipped in December 2023. Studies continue to advance potential designs of a large-scale development. Ivindo Iron SA is the operating entity for the Belinga Iron Ore Project and Fortescue has a 72 per cent indirect interest in the company.

Critical Minerals and exploration activities

In FY23, Fortescue's exploration activities included:

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

- Additional exploration activity for copper in South Australia, New South Wales and Queensland

Fortescue also has an established presence in Latin America, such as Argentina, where we currently hold tenements prospective for copper and gold. Fortescue is also assessing exploration and development opportunities for critical minerals in Brazil, Chile and Peru. Fortescue has a 25.4 per cent stake in TSX listed Alta Copper Corp. and we support the advancement of the Cañariaco project in Peru. In Kazakhstan, a range of copper targets are being progressed to drilling while work in Portugal is focused on development of lithium opportunities.

FORTESCUE ENERGY

Fortescue Energy is our global green energy business. Its focus is global production of commercial scale green energy and green hydrogen, including derivatives such as green ammonia, to accelerate global decarbonisation of heavy industry, aviation, shipping and fertilisers. We have dozens of green energy and green hydrogen projects under investigation globally and plans to bring projects to final investment decision in 2023 and 2024.

Decarbonisation

Fortescue released its decarbonisation roadmap in September 2022, which aims to reduce operating costs by eliminating expenditure of diesel, natural gas and offsets. In executing our roadmap, we are using well established technologies. We believe electrification, green hydrogen and green ammonia will be critical, and we are taking practical steps to apply the best solution to each different situation.

Renewable power on our mining sites

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

OUR SUPPLY CHAIN¹

In FY23, Fortescue spent a total of \$9.9 billion² with 3,994 Tier 1 (direct) suppliers on goods and services to support our metals and energy activities. Over 95 per cent of this spend was with 2,585 Australian suppliers, over 67 per cent was with Western Australian suppliers, and 1.8 per cent was with Pilbara suppliers.

In FY23, Fortescue's spend with suppliers outside Australia comprised 4.2 per cent of total spend, with 1,409 suppliers. During the reporting period we sourced from 56 countries outside Australia. Our top source countries outside Australia by spend were:³

- United States (over \$102 million with 152 suppliers)
- China (over \$73 million with 29 suppliers)
- Argentina (over \$45 million with 480 suppliers)
- Netherlands (over \$23 million with 12 suppliers).

We enter contractual arrangements with suppliers ranging from one-off transactional purchase orders governed by our Standard Terms and Conditions, through to multi-year, large value fixed term contracts.

Fortescue's Metals and Energy divisions have their own dedicated procurement teams, both of which are based in our offices in Perth, Western Australia. During the year:

- Fortescue's Metals Procurement and Logistics team reported through its Director to the Chief Financial Officer and supported in-country sourcing for our mining operations; and
- Fortescue's Energy activities and capital projects were supported by the Contracts, Procurement and Supply Chain team who report through the Global Head of Contracts, Procurement and Supply Chain to the CEO of Fortescue Energy.

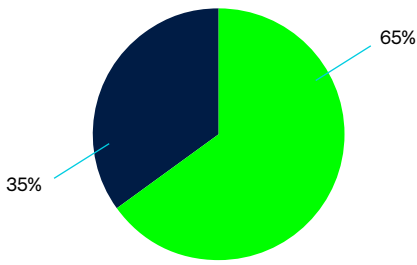
Both groups have embedded Sustainable Procurement representatives and are further supported by our centralised Sustainability team.

¹ Supply chain data provided excludes Fortescue WAE.

² Total spend means the spend (including VAT/GST) which is subject to Fortescue's procurement processes and managed in accordance with Fortescue's Procurement Policy. It excludes iron ore shipping costs, government costs or charges (including royalties), donations, subscriptions and memberships, Native Title Group payments (other than payments made for the provision of direct goods and services), property leasing, related Fortescue entities and legal fees.

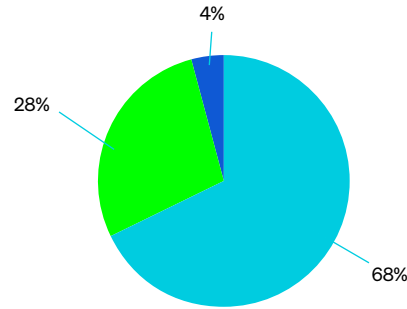
³ All procurement figures represent our spend with Tier 1 suppliers and may not represent the original source country of these goods and services.

Tier 1 Suppliers



- International suppliers
- Australian suppliers

Percentage of Procurement Spend



- Australian Entities (excluding Western Australian Entities)
- Western Australian Entities
- International Entities

In FY23, Fortescue procured goods and services across a wide range of categories. Our top 10 procurement categories include:

CATEGORY	DESCRIPTION	PERCENTAGE OF TOTAL SPEND
1	Energy and Explosives Bulk fuel, explosives, gas, lubricants, electricity, energy and power services	17.6%
2	Construction Major projects	16.5%
3	Heavy Mobile Equipment fleet, including Parts Mobile equipment, light vehicles, wet/dry hire, components/spare parts, HME fabrication	11.6%
4	Mining Services Civil works, drilling, off site analytics (labs)	8.9%
5	Processing Equipment Chutes, pumps and valves, rotatable spares, conveyors, crushers, crushing equipment	7.5%
6	Maintenance Services Shutdown services, access and scaffolding, mobile cranes, electrical services	6.6%
7	Labour Hire White collar (professional services) and blue collar (trades) for site work	4.2%
8	Information Technology Telecommunications, autonomy, ICT infrastructure, condition monitoring, enterprise applications, cybersecurity, cloud	4.0%
9	Cleaning & Catering Services Facilities management, village management, infrastructure	3.1%
10	Travel and Accommodation Services Aviation, hotels etc.	2.7%
	Other Rail rolling stock; consultancy and professional services; electronics and electrical equipment; chartered vessels and supply shipping; logistics and transport; commodities including PPE, stationary and medical supplies; security services	17.3%

BUSINESS LOCATIONS AND SUPPLY CHAIN MAP

Fortescue Metals

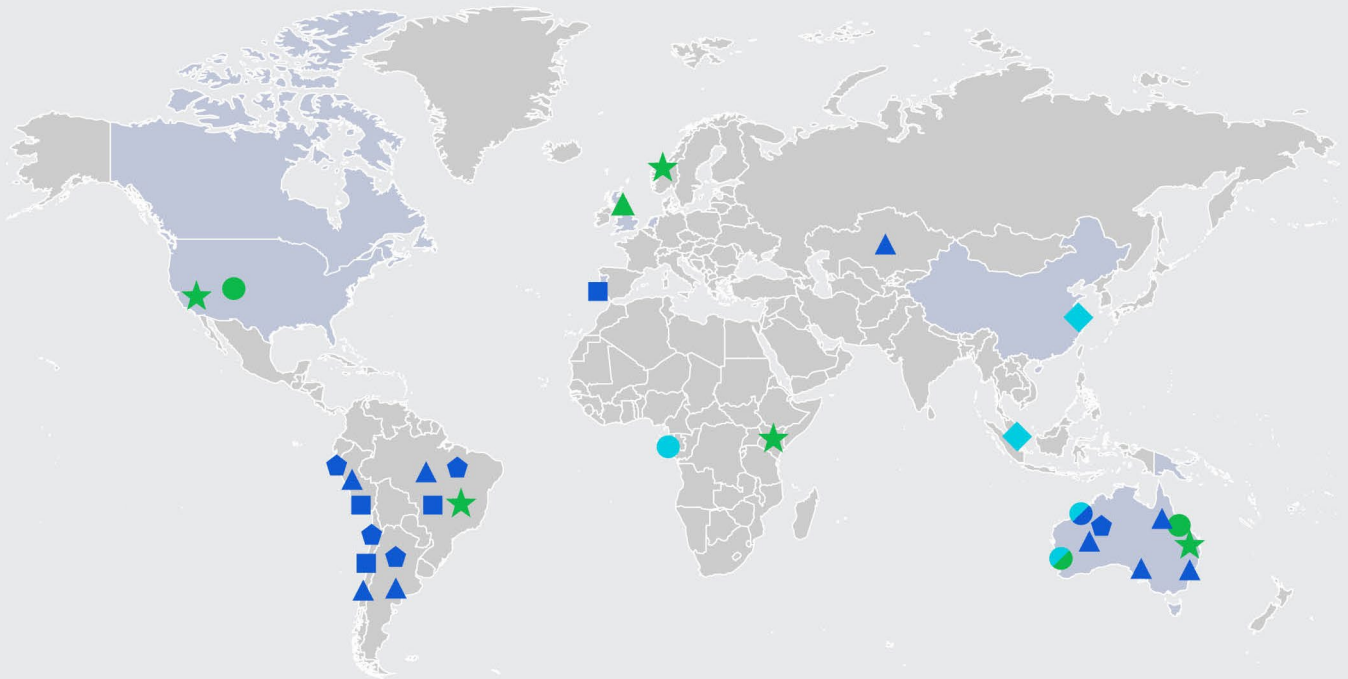
- Metals
- ◆ Marketing

Metals Exploration

- Iron ore
- ▲ Copper
- ◆ Gold
- Lithium

Fortescue Energy*

- Energy
- ★ Green Energy Project
- ▲ Fortescue WAE



TOP SOURCE COUNTRIES AND CATEGORIES

Australia

- Energy and Explosives
- Construction Projects (goods and services)
- HME Fleet, including Parts

United States

- Rail Rolling Stock
- Information Technology
- Consultancy and Professional Services

China

- Construction Projects (goods and services)
- Processing Equipment
- Rail Rolling Stock

Netherlands

- Labour Hire
- Processing Equipment
- Information Technology

Singapore

- Consultancy and Professional Services
- Chartered Vessels and Supply Shipping
- Information Technology

United Kingdom

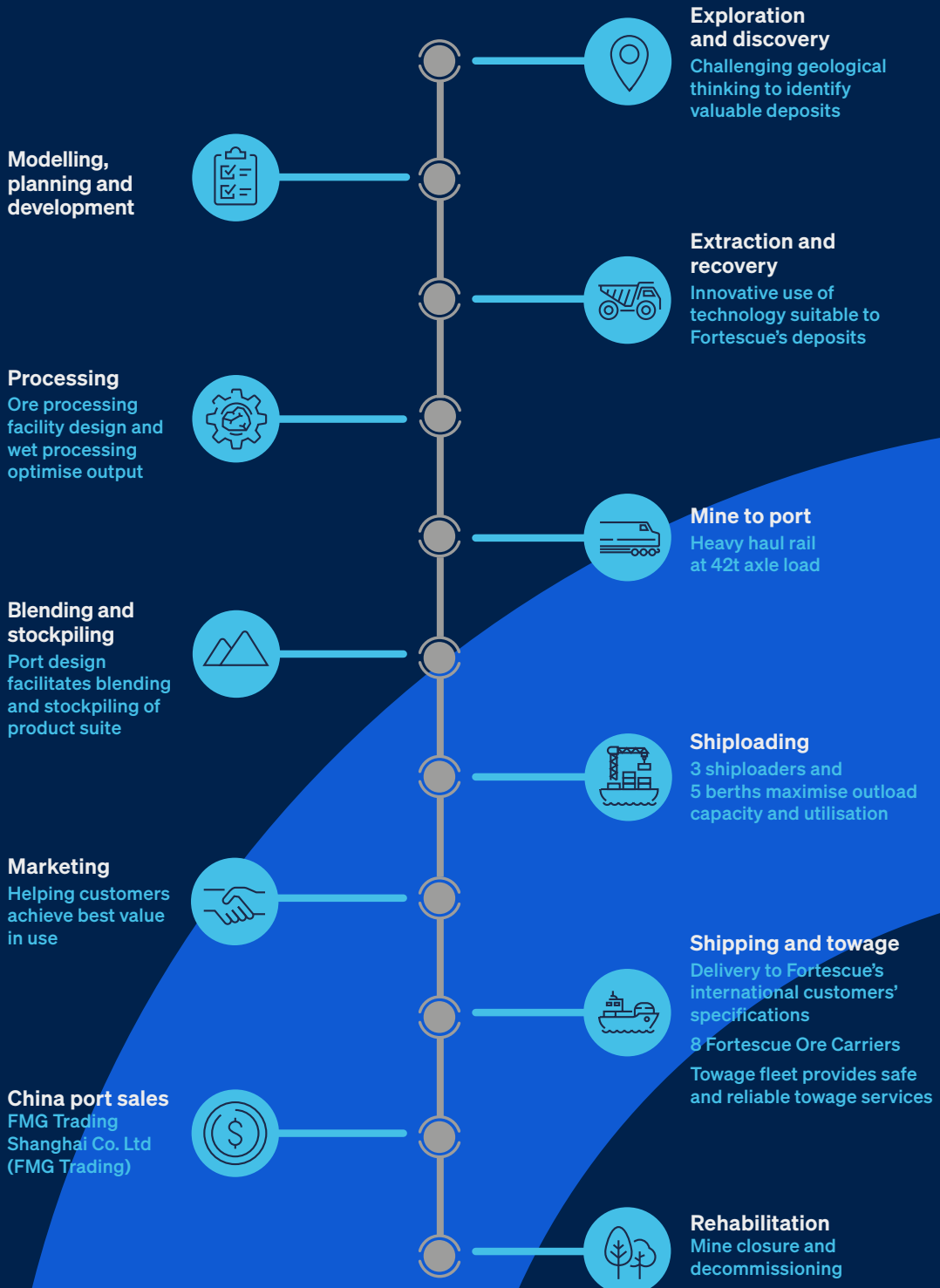
- Rail Rolling Stock
- Consultancy and Professional Services
- Information Technology

Canada

- Consultancy and Professional Services
- Labour Hire
- Engineering & Construction Services

* We have dozens of green energy and green hydrogen projects under investigation globally but have only depicted key projects on the map.

IRON ORE VALUE CHAIN



GOVERNANCE

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

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

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

The management of human rights has been identified as a strategic matter, which means that there is specific Board oversight of human rights (including modern slavery) across all entities managed through this governance framework.

Collectively, the directors have a diverse and relevant range of skills, backgrounds, knowledge and experience to help ensure effective governance of the business. To the extent that any skills are not directly represented on the Board, they are augmented through management and external advisors. Specific human rights related skills and experience of the Board include understanding the business challenges, strategy and options associated with managing human rights risks. Board members such as Penny Bingham-Hall and Jennifer Morris (Non-Executive Director up to 30 June 2023) have specific experience in the management of human rights issues including modern slavery in supply chains.

Audit, Risk Management and Sustainability Committee

The Audit, Risk Management and Sustainability Committee (ARMSC) is a Board committee that operates under a Board-approved charter, consisting of a minimum of three non-executive directors, in which the Chair is an independent director and independent directors form the majority.

The ARMSC is responsible for the oversight of Fortescue's response to human rights matters, including modern slavery, and provides advice to the Board.

The ARMSC meets quarterly and receives updates on human rights at each meeting.

Sustainability Committee

At the management level, the Sustainability Committee (SC) is responsible for monitoring and coordinating our overall response to human rights (including modern slavery), ensuring risks are managed and considered from a whole of business perspective. Our Chief Executive Officers (or their delegates) chair the SC which comprises executives and technical experts from across the business, including

in the areas of Finance, Environment, Investor Relations, Sustainability, Risk Management, Energy and Procurement and Logistics. The SC meets at least four times a year and provides updates and advice to the ARMSC on a range of issues.

This year the SC endorsed the updates to the Human Rights Policy; were briefed on the ongoing due diligence approach for solar panels, and briefed on the review of Energy's modern slavery contract clauses and modern slavery reporting.

Day-to-Day Management

The CEOs of Fortescue Metals and Fortescue Energy are jointly accountable for the implementation of our Human Rights Policy across Fortescue, supported by our Sustainability Team.

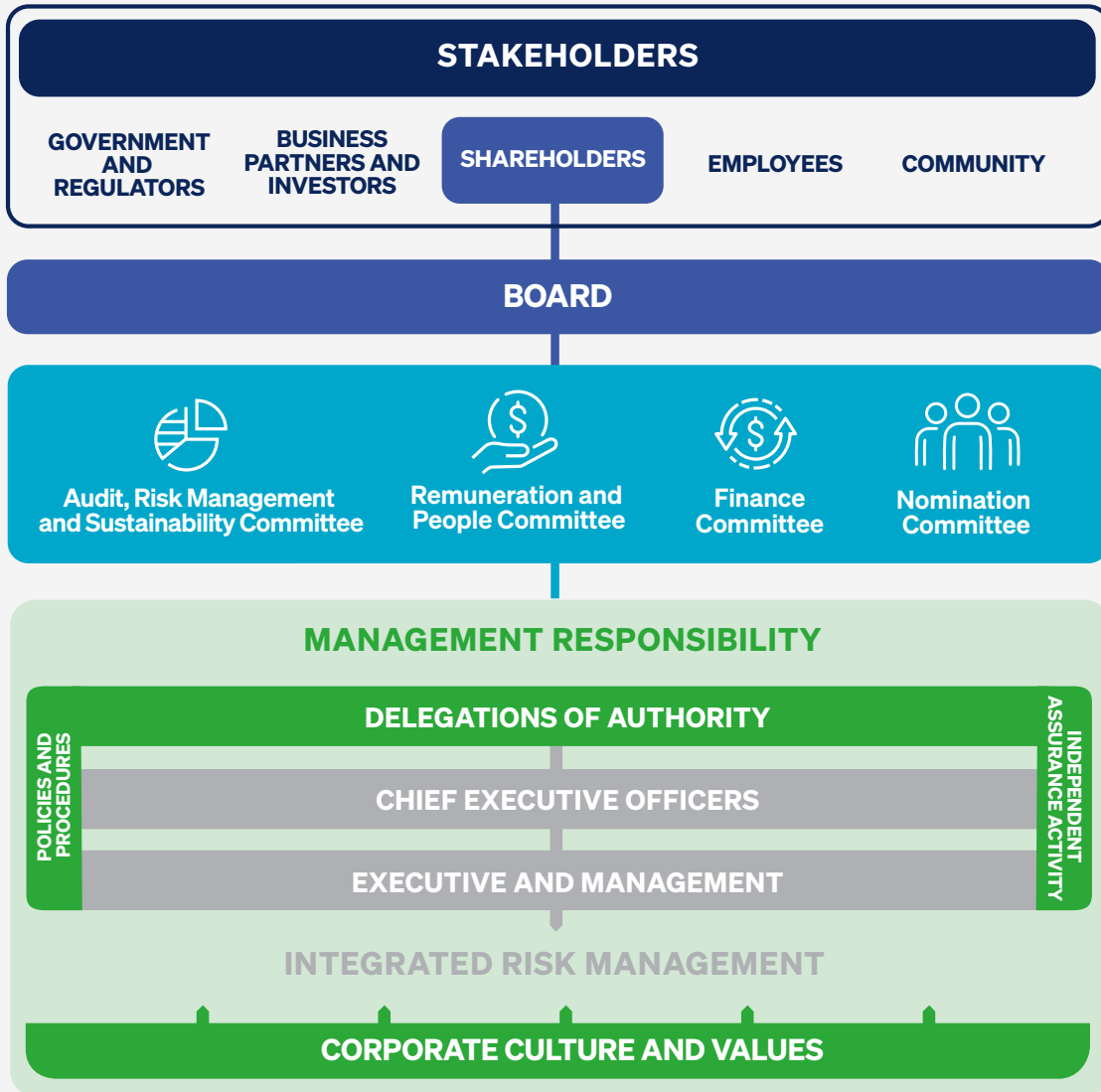
The day-to-day implementation and coordination of our human rights including modern slavery approach is undertaken by our Sustainability team in close collaboration with other areas of the business. Our Sustainability team includes a human rights specialist who provides guidance and advice to the business on human rights related matters, including modern slavery.

Other teams across Fortescue's operations also undertake key modern slavery related activities including:

- Metals Procurement and Logistics – manage strategic supplier engagement, sourcing and contract management as well as routine procurement processes (including purchasing, supplier due diligence, accounts payable and materials management) for Metals operations. The team also works closely with the Energy Team on decarbonisation of its mining operations.
- Energy Contracts, Procurement, Supply Chain – manage strategic supplier engagement, sourcing and contract management as well as routine procurement processes (including purchasing, supplier due diligence, accounts payable and materials management) for our global green energy projects, manufacturing of green product and major decarbonisation of Fortescue.
- Shipping – manage all activities relating to the shipping of our iron ore to customers.

Our Human Rights Advisory Group met once in FY23. Work is underway to update representatives of this group and refresh its objectives, with quarterly meetings to resume in FY24.

GOVERNANCE FRAMEWORK



IDENTIFYING OUR MODERN SLAVERY RISKS

Modern slavery has the potential to exist in our operations and supply chain in a variety of ways. As Fortescue transitions to an integrated green technology, energy and metals business and as our global footprint expands, the modern slavery risks that may be present in our operations and supply chain also change.

To identify modern slavery risks, Fortescue uses the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) to identify and assess the ways in which our activities may cause, contribute to or be directly linked to modern slavery in our operations and supply chain. Our understanding of these concepts is further explained in the table below.

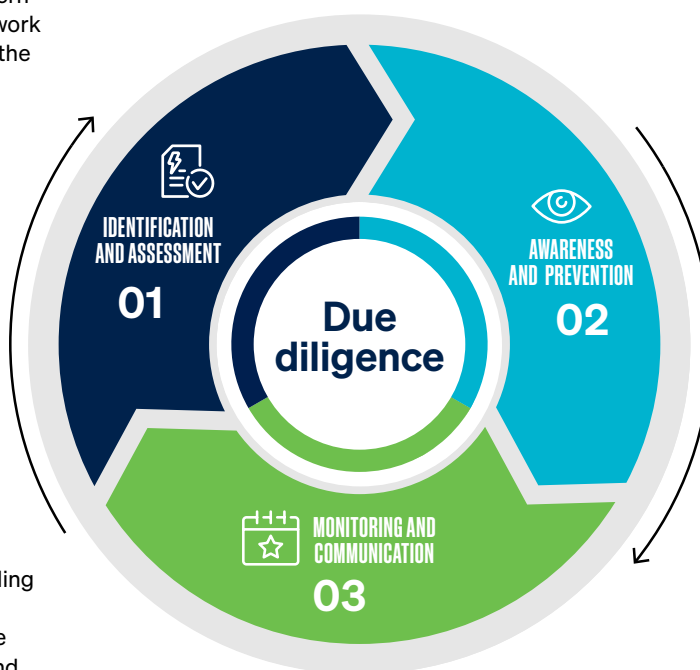
CAUSE	CONTRIBUTE	DIRECTLY LINKED
A company may cause modern slavery through its own actions or omissions. For example, a company uses forced labour in its factory, sites or operations.	A company may contribute to modern slavery if its actions or omissions contribute to another party (or parties) causing the modern slavery by, for example, incentivising or turning a blind eye to the harm. For example, if a company sets unrealistic timelines or budgets for a supplier that can only be achieved by using exploitative labour practices; or a company engages a recruitment firm for a shut-down crew and ignores signs of deceptive and exploitative recruitment practices of the firm such as the charging of exorbitant recruitment fees.	A company's operations, products or services may be directly linked to modern slavery by a business relationship. For example, a company procures goods manufactured by a second company which sources raw materials from a third company using forced labour or hazardous child labour.

Human rights due diligence underpins our identification, assessment and management of human rights and modern slavery risks in our operations and supply chains, as we work to continuously bring our processes into alignment with the UN Guiding Principles.

Our due diligence is an ongoing and iterative process that considers both actual and potential adverse human rights impacts through our activities and business relationships. Our modern slavery due diligence process includes three core elements, underpinned by continuous engagement and collaboration:

- identification and assessment
- awareness and prevention
- monitoring and communication.

We identify and assess potential human rights risks across our operations and supply chain through our company wide Risk Management Framework. This framework helps to ensure the consideration of risks by senior management and the Board. The ARMSC is responsible for the oversight of risk management (including human rights and modern slavery risks) on behalf of the Board. Human rights (including modern slavery) risks are captured in our corporate risk register, with mitigation and action items assigned to relevant senior team members.



Salient human rights

We have undertaken a human rights saliency assessment which identifies the areas where we have the greatest potential to impact the human rights of people across our value chain: supply chain, operations and down stream. We analysed the scale, scope and ability to remediate the action or potential adverse human rights impacts to determine the severity of the risks. Labour rights of our employees, contractors and workers in our value chains, including modern slavery risks, were identified as a salient human rights risk for our business. See pages 47-50 of our FY23 Sustainability Report for more information on our salient human rights risks and risk management approach.



Monitoring

Monitoring and communication is one of the three core elements of our continuous modern slavery due diligence approach.

Our inhouse Global Monitoring Centre provides updates, analysis, and research on changing environments and contexts, industry and product trends relevant to modern slavery to help ensure our understanding of modern slavery risks in our supply chain remain current. We also engage third party providers to provide further screening or analysis services. In FY22, we commenced a trial of a third party ESG monitoring platform which analyses human rights risk (including labour risk) at a country level. We use this platform, in conjunction with other tools, to enhance our understanding of changing conditions and developing risks in countries of operation and supply chains. We extended this service in FY23.

Fortescue seeks additional guidance as required from relevant stakeholders including specialist consultants, leading non-government organisations and civil society organisations.

OUR OPERATIONAL RISKS

We recognise that the extractives and energy industries are considered high-risk for modern slavery, particularly in countries that have a higher prevalence of modern slavery. Further, we acknowledge that, without adequate controls, we could cause or contribute to modern slavery if, for example, employees or contractors were engaged in exploitative situations, or if our workforce, in their personal capacity, engaged in exploitation in the local community. These risks are greater in countries that have a higher prevalence of modern slavery.

We undertake in-country risk assessments where we have operations considering a wide range of factors (including environment, social and governance factors) to determine the risks within a particular country.

During FY23, most of our operating mines were based in Australia, which has a low prevalence of modern slavery and a strong government response.⁴ Our risk assessment showed the risks of Fortescue causing or contributing to modern slavery within our Australian operations is low, considering Australia's strong regulatory environment and Fortescue policies and processes. However, we acknowledge that modern slavery occurs in every country and our operations are not without risk.

We understand that the risks of modern slavery in our operations may differ depending on the country in which we operate. Fortescue, through its incorporated joint venture company, Ivindo Iron SA, has commenced early stage mine development of the Belinga Iron Ore Project, located in the Ogooue-Ivindo province in north-eastern Gabon, central Africa. Based on data from Walk Free's Global Slavery Index 2023, we recognise operating in Gabon carries greater modern slavery risks than operating in Australia. Walk Free's Global Slavery Index notes that adults and children who journey from rural and remote regions to urban centres in search of employment face a particularly elevated risk of exploitation.

We also recognise that, as we continue to pursue exploration opportunities and green energy projects globally, our modern slavery risks may be higher in countries that have a higher prevalence of modern slavery such as Kazakhstan and Kenya.⁵

Our approach to addressing our operational modern slavery risks in and outside Australia are outlined on page 23.

⁴ Walk Free, Global Slavery Index 2023.

⁵ Walk Free, Global Slavery Index 2023.

OUR SUPPLY CHAIN RISKS

Fortescue recognises the risks of modern slavery in our supply chain, particularly beyond Tier 1 and Tier 2 of our supply chain where visibility and transparency of worker conditions is challenging. Acknowledging this risk, and consistent with our Human Rights Policy, Fortescue undertakes supplier due diligence to identify, assess and address modern slavery risks in our supply chain. Our supplier due diligence approach is set out on pages 24 to 28.

In addition to our supplier due diligence, we undertake an annual desktop risk assessment of Tier 1 suppliers using our Modern Slavery Risk Assessment Tool (MSRAT). Our MSRAT considers country risk, category risk, entity type and spend (see page 25).

In FY23, we updated our country risk data in our MSRAT using Walk Free's Global Slavery Index 2023 and data from a third party global environment, social and governance country monitor (ESG Country Monitor). We also updated the source country data of 692 Tier 1 suppliers to reflect the country where the relevant goods we source are produced and services are provided, rather than reflecting the

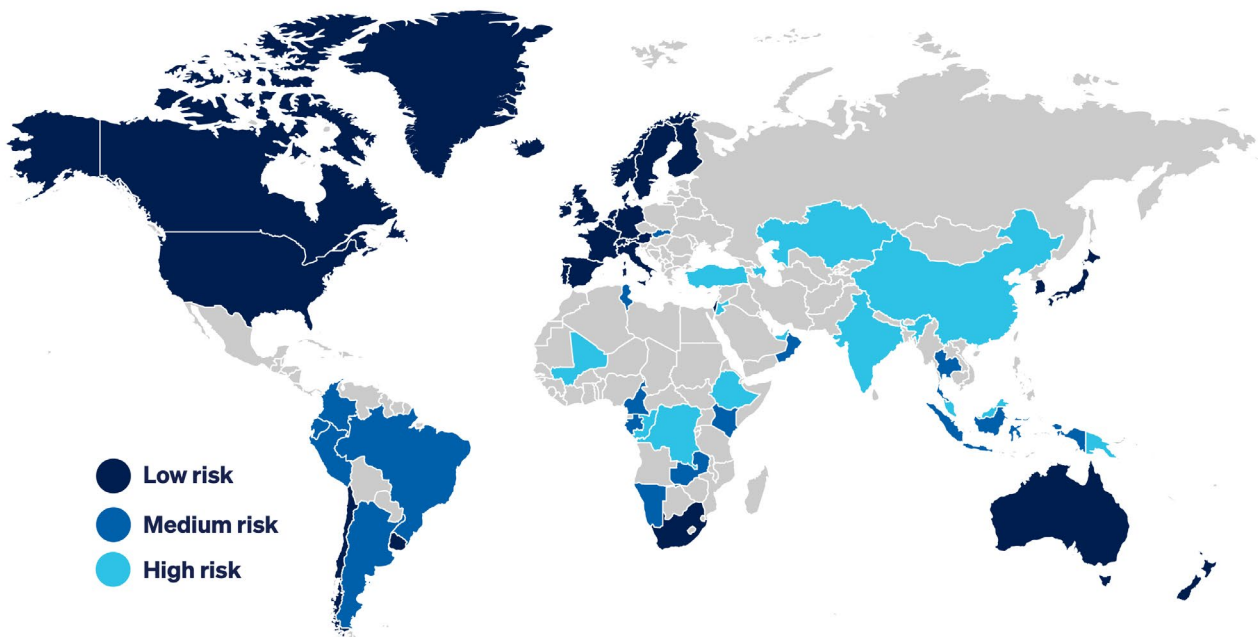
headquarter countries of suppliers. This updated source country data was used in our annual modern slavery risks assessment and cross checked against our updated MSRAT country risk data to improve our understanding of our supply chain modern slavery risks.

Source countries considered high risk for modern slavery in our supply chain include, in alphabetical order, China; Democratic Republic of Congo; India; Jordan; Kazakhstan; Malaysia; Papua New Guinea; Türkiye and United Arab Emirates identified using our MSRAT.

Based on our FY23 annual risk assessment,⁶ we identified 94 suppliers to be high risk, representing \$492 million (equivalent to 5 per cent) of Fortescue's total contestable spend, with 70 of these suppliers providing goods or services from China or Democratic Republic of Congo in categories such as processing equipment, heavy mobile equipment, IT, construction, and mining equipment.

Our high-risk categories are set out in our FY23 High Risk Categories table and our country risks are set out in our FY23 Supply Chain Risk Map.

FY23 Supply Chain Risk Map



⁶ Note annual risk assessment excludes Fortescue WAE.

FY23 High Risk Categories

CATEGORY	COMMENTARY
Renewable Energy Technologies/ Fuels	<p>Renewable technologies, such as solar panels, batteries and wind technologies, are critical to achieving the decarbonisation of our mining operations and green energy goals.</p> <p>However, there is growing evidence of modern slavery in the global renewables sector. Modern slavery risks emerge not from the production of renewable energy, but deep in the supply chain. Child labour and forced labour have been evidenced in the extraction of critical minerals and resources required for renewable technologies such as solar panels and wind turbines, and in the workforces manufacturing these technologies. Workers in these industries are vulnerable to forced labour, wage theft, hazardous conditions, illegal overtime, and other forms of exploitation. Supply chains can be opaque, extending to high-risk countries where governance is poor and transparency is limited.⁷</p> <p>Renewable fuels, such as lubricants comprising of palm oil, are also associated with heightened human rights risks due to poor labour conditions in production.</p>
Electronics	<p>We source a range of electrical devices, such as computers and mobile phones, as well as electrical equipment such as cables.</p> <p>The electronics and electrical industries are recognised globally as high-risk for labour exploitation. Manufacturing often occurs in locations with minimal regulation and oversight, and often performed by lower skilled workers. There are also risks that products are manufactured using raw material inputs produced using workers in conditions of modern slavery.</p>
Rubber	<p>Rubber is generally farmed and produced in countries where there is a higher risk of modern slavery practices, including child or forced labour. We purchase a range of rubber products including tyres, conveyor belts and gloves, which are manufactured using rubber sourced through third party suppliers where we currently have limited visibility of their processes.</p>
Construction	<p>The construction industry commonly involves long supply chains and low-skilled, low-paid manual work which can create risks of modern slavery. Raw materials and goods used for construction are often sourced from, or manufactured by, suppliers beyond Tier 1 in high-risk countries. The on-ground construction of our mining-related infrastructure occurs in Australia where modern slavery risks are lower than in other countries. On the ground construction in Gabon is small as we are in early exploration and operation phases. We have controls in place for the engagement of construction workers, see page 23.</p>
Shipping	<p>Fortescue operates eight vessels and charters a number of other vessels to ship our product to our customers.</p> <p>The nature of the international shipping industry creates challenges for regulators to provide complete oversight of a shipping company's practices and seafarer conditions. A number of modern slavery risks have been identified in the international shipping industry, including those associated with limited due diligence, the withholding of crew wages, remuneration below the living wage, poor living and work conditions and the lack of access to appropriate grievance mechanisms.</p> <p>For information on our ship vetting and due diligence processes, see page 29.</p>
Rail Rolling Stock	<p>Most items of rail equipment that we procure for our operations, such as locomotives, rail ore cars and rail steel are manufactured outside of Australia. Some manufacturers are located in high-risk countries where there is limited transparency on worker conditions. We work closely with third party technical experts to conduct on the ground site visits and provide quality assurance oversight.</p>
Offshore fabrication	<p>We source large items of equipment used in mining and processing from manufacturers outside of Australia. The equipment is often fabricated in factories that use migrant or low skilled labour.</p>
Labour Hire	<p>Temporary work carries a higher risk of modern slavery due to its transitory nature, a higher rate of migrant workers and strong competition causing pressure to minimise costs. These factors can incentivise the use of modern slavery practices.</p>
Cleaning, catering and security services	<p>We procure cleaning, catering and security services at our mines and cleaning services in the office spaces we lease. These services carry a high-risk of modern slavery, including in Australia, due to low-skilled, low-paid, manual work and the prevalence of short-term, seasonal and migrant workers and sub-contractors. To help mitigate and reduce these risks, Fortescue now manages some of these services in-house.</p>

⁷ Walk Free, Beyond Compliance in the Renewable Energy Sector 2023

ADDRESSING OUR MODERN SLAVERY RISKS

Our Approach

Fortescue is committed to respecting and supporting the human rights of all people including our employees, the communities in which we operate, those within our supply chains and those who may be impacted by our activities.

We reject all forms of child or forced labour, and all other forms of slavery in our operations and supply chain.

Policy Framework

Our Human Rights Policy and Code of Conduct and Integrity form the foundation of our approach to managing human rights including modern slavery risks.

Respecting the human rights of all people is embedded throughout our business. All owned and controlled entities within Fortescue are governed by and expected to comply, or be working towards compliance with, Fortescue's policies and procedures, including our Human Rights Policy.

This year we updated our Human Rights Policy to help ensure continued alignment with leading practice and we updated our Modern Slavery Procurement Procedure.

The following policies and procedures guide our actions in addressing modern slavery risks. Other policies that help us implement our broader human rights approach include our Health and Safety Policy, Diversity Policy, and Equal Opportunity, Discrimination and Workplace Bullying Policy; and Communities and Social Performance Standard.



DOCUMENT	OVERVIEW	POLICY IN ACTION
<p>Code of Conduct and Integrity</p> <p>Available on our website. Available in multiple languages.</p>	<p>Our Code of Conduct and Integrity establishes the essential standards of personal and corporate conduct expected of our employees, suppliers, contractors and those with whom we do business, including in relation to human rights and modern slavery.</p>	<p>The Code of Conduct and Integrity sets out our rejection of modern slavery in our operations and supply chain. It applies to all Fortescue activities. Compliance with the Code is a condition of working for and with Fortescue and is provided to all employees during recruitment and suppliers during onboarding.</p>
<p>Human Rights Policy</p> <p>Updated in FY23. Available on our website. Available in multiple languages.</p>	<p>Our Human Rights Policy sets out our commitment to respecting human rights and our rejection of modern slavery in our operations and supply chain.</p> <p>The CEO of Fortescue Metals and the CEO of Fortescue Energy are jointly responsible for ensuring the implementation of the Policy and the Board's ARMSC is charged with the oversight of human rights matters including ensuring compliance with the Policy.</p> <p>The Policy is reviewed biennially and has been recently updated (see page 22).</p>	<p>Our Human Rights Policy applies to all of Fortescue's activities, and together with our Code of Conduct and Integrity, forms the foundational documents for respecting human rights at Fortescue.</p> <p>All Fortescue employees, suppliers, contractors, consultants and other business partners are expected to read and adhere to the Policy and all related standards, guidelines and procedures. It also forms part of our Vendor Documentation.</p> <p>The requirements of the Policy are covered within our Human Rights Training program (see page 30).</p>
<p>Procurement Policy</p> <p>Available on our website.</p>	<p>Our Procurement Policy outlines our approach to ensuring procurement and logistics practices meet the highest standards of business ethics and integrity, including respecting human rights and addressing modern slavery risks.</p>	<p>Our Procurement Policy applies to all activities and operations undertaken by Fortescue and forms part of Fortescue's Vendor Documentation.</p> <p>The Procurement Policy outlines the strategy by which Fortescue will achieve its procurement commitments including, for example, a commitment to working to ensure our suppliers conduct their business in a manner consistent with internationally recognised human rights standard and addresses the risk of modern slavery in their supply chain.</p>
<p>Sustainable Procurement Standard (External)</p> <p>Available on our website.</p>	<p>Our Sustainable Procurement Standard sets out the minimum standards expectations for our suppliers including:</p> <ul style="list-style-type: none"> • respect for human rights • compliance with the Act • due diligence processes and procedures to investigate, assess and address modern slavery in their operations and supply chains • remediation programs • prohibition of child, forced, prison and compulsory labour. 	<p>The Sustainable Procurement Standard forms part of Fortescue's Vendor Documentation.</p> <p>A commitment to comply with this standard is taken into consideration during the contract award process and during the term of the contract.</p>

About this statement

About Fortescue

Identifying our modern slavery risks

Addressing our modern slavery risks

Assessing our effectiveness

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Appendices

<p>Standard Contract Terms and Conditions</p>	<p>Our suppliers are issued a purchase order to authorise the provision of goods and services, at a stated specification, quantity, and price. Purchase orders apply the relevant Standard Terms and Conditions which include commitments in relation modern slavery.</p> <p>Our shipping contracts also include requirements to align with the International Labour Organisation Conventions.</p>	<p>The modern slavery obligations within our Standard Terms and Conditions require our suppliers to investigate and assess their modern slavery risks and implement due diligence and remediation programs. Our suppliers are also encouraged to cascade an equivalent clause within their own terms and conditions with their suppliers.</p> <p>Our standard terms and conditions are available on our website and are provided to suppliers during the onboarding process.</p>
<p>Whistleblower Hotline Policy</p>	<p>Our Whistleblower Hotline Policy outlines how Fortescue will support Whistleblowers so they can feel safe to express concerns.</p> <p>The Hotline is available to all stakeholders to report potential conduct breaches, including human rights and modern slavery issues.</p> <p>The Hotline can be accessed via an online portal, phone, email or post and has multilingual capabilities.</p> <p>For more information, see page 32.</p>	<p>In addition to being communicated on our website and internally, the availability and details of the Hotline are also included in Fortescue's Code of Conduct and Integrity, Sustainable Procurement Standard and Whistleblower Hotline Policy and are included in Fortescue's Vendor Documentation. It applies to all activities and operations undertaken by Fortescue and its subsidiaries.</p>
<p>Modern Slavery Procurement Procedure (Internal)</p>	<p>The Modern Slavery Procurement Procedure (MSPP) is an internal document designed to support the implementation of our Human Rights Policy, Procurement Policy and Sustainable Procurement Standard by detailing processes and considerations for our Procurement and Logistics Teams in identifying, assessing and managing modern slavery risks in our supply chain.</p> <p>For more information, see page 24.</p>	<p>The MSPP is implemented by the Metals Procurement and Logistics Team and the Energy Contracts, Procurement and Supply Chain Team</p> <p>The MSPP is covered in our Human Rights Face to Face Training Module, see page 30.</p>
<p>Grievance Procedure (Internal)</p>	<p>Our corporate Grievance Procedure sets the minimum requirements for managing external grievances at Fortescue. Its purpose is to help ensure external stakeholders are able to access locally appropriate mechanisms to raise grievances (whether directly or indirectly with Fortescue).</p>	<p>Work to review the implementation of the Grievance Procedure across our activities and operations has been scheduled for FY24.</p>

Update to Human Rights Policy

In FY23 our Human Rights Policy was reviewed and updated to help ensure continued alignment with leading practice. Key updates include:

- Improved alignment with global standards, such as the International Financial Corporation Performance Standards;
- A specific commitment to respecting workers' rights, not just to a fair wage but also a living wage; and
- Enhancing our commitment to transparent and inclusive stakeholder engagement, allowing stakeholders sufficient time to participate in decisions about our projects, potential impacts, and benefits.

All Fortescue employees, suppliers, contractors, consultants and other business partners are expected to read, understand and adhere to our Human Rights Policy and all related guidelines and procedures.

Fortescue's commitments and how these are put into action are covered in our Human Rights training, in both our online and face to face modules. For more information about our training, see page 30.

OPERATIONAL ACTIONS

At Fortescue, we are committed to respecting the human rights of our employees and we reject modern slavery in our operations. We respect the freedom of association and rights to collective bargaining, and the right to a fair and living wage, and we seek to ensure that all our employees are treated fairly and without discrimination.

All employees are provided with a written contract setting out the terms of employment including remuneration, working hours, leave and other benefits. Our employment contracts are designed to be compliant with local laws. We offer remuneration packages that are competitive, above minimum wage and reviewed annually to help ensure our personnel are being paid appropriately for their work.

We are committed to fair recruitment processes, free from discrimination and coercion. Our recruitment process includes steps to verify the identity and age of applicants, confirm working rights, complete health and fitness checks, and check qualifications to help ensure personnel can safely and competently fulfil their roles.

Fortescue does not retain original personal identity documents of our employees, such as passports.

For our international personnel engaged directly, we follow the same recruitment processes but also have mechanisms in place to help ensure that these processes are compliant



with applicable local labour laws. We also engage some international personnel indirectly through third party labour hire firms. Our engagement of labour hire firms applies Fortescue's supply chain due diligence process, see pages 24-28.

For the Belinga Iron Ore Project in Gabon, the Mining Convention signed with the Gabonese Government includes a specific commitment to addressing modern slavery risks in the project's operations and supply chain. The recruitment and local labour hire agencies that we work with are required to adhere to ethical recruitment practices and are prohibited from presenting candidates without their knowledge, accepting any payments from candidates, and unlawfully discriminating against candidates.

In our FY22 Statement, we set our intention to focus on reviewing labour conditions and recruitment practices within our growing global operations. During the year, we focused on labour hire and engagement with recruitment agencies. We designed and piloted a bespoke Labour Self-Assessment Questionnaire (Labour SAQ) specifically for recruitment agencies providing international personnel for our operations. For more information about the Labour SAQ, see page 26. We will continue our work to review labour conditions and recruitment practices in FY24.



SUPPLY CHAIN DUE DILIGENCE ACTIONS

Supplier compliance screening

All suppliers, regardless of spend or risk, are screened by compliance risk analytics software at onboarding and periodically during the term of their contract. The platform assesses suppliers, their directors and any affiliated companies against specific criteria in international databases for human rights concerns including, for example, modern slavery, child labour, forced labour and human trafficking. The data is sourced from publicly available information including media reports, court cases and tribunals, websites, business registrations and disclosure documents.

If a modern slavery or broader human rights concern is identified, this is referred for investigation to our Sustainability team and the relevant procurement representative. The investigation may include verification of the source, seeking clarification with the supplier, and taking mitigation or corrective actions set out in our Modern Slavery Procurement Procedure.

Modern Slavery Procurement Procedure

In FY22, we developed and rolled out our Modern Slavery Procurement Procedure (MSPP). The MSPP provides a framework for supplier screening and builds on existing requirements to screen all vendors via our compliance risks analytics software. It was updated during the year to include additional tools and templates to further embed modern slavery due diligence in our processes discussed below.

The objectives of the MSPP are to guide a consistent approach for the identification and assessment of modern slavery risks in our supply chain; development and implementation of appropriate prevention, mitigation, monitoring and corrective actions for high-risk suppliers; and encourage open and transparent communication with suppliers about our human rights and modern slavery commitments.

The MSPP requires the MSRAT be completed for all potential suppliers for:

- all new requests to the market for tender, proposal, and information (collectively Rfx Events)
- all variations or extensions to contracts where the Modern Slavery Risk Assessment Tool (MSRAT) was previously completed
- material changes to existing supplier information
- adverse media reports or new information that may impact an existing supplier's modern slavery risk classification.

We also use the MSRAT for our annual supply chain risk assessment (see page 25).

Where a high-risk rating is identified for a supplier through the MSRAT and/or our supplier compliance screening, the MSPP sets out additional due diligence actions required to investigate the risk. These include, for example, completion of our Supplier Self-Assessment Questionnaire (SAQ), specialised research or reports from independent subject matter experts or internally through our Global Monitoring Centre, supply chain mapping, requests for additional information from the supplier, site visits or audits.

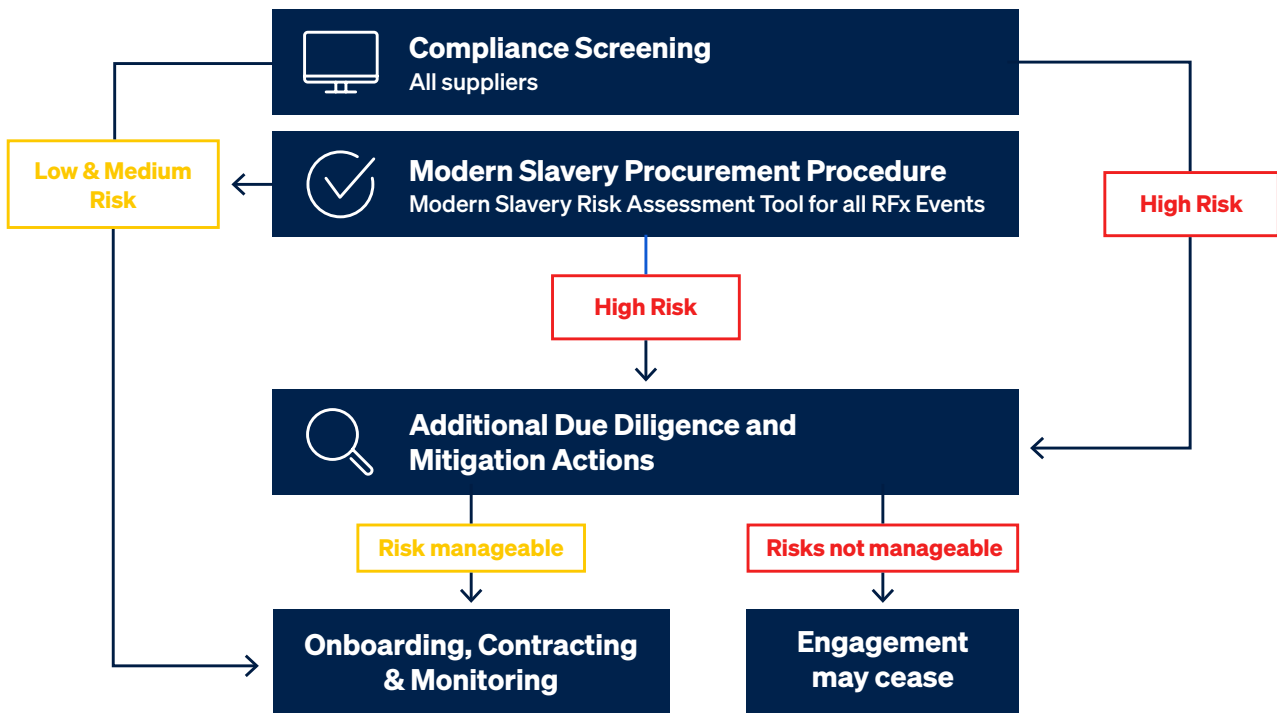
Once we further understand the risks, our mitigation actions will be targeted to address those specific risks, for example, enhanced contract clauses and change of custody requirements, supply chain and labour audits, requesting suppliers cease an action and/or provide appropriate remedy, using our leverage to prevent, mitigate and address risk and collaborating with suppliers to determine corrective actions.

Where risks cannot be appropriately managed or mitigated with a supplier, Fortescue may not engage or discontinue its engagement with a supplier.

In Q3 FY23, Fortescue transitioned to a new source to contract system. The revised vendor onboarding configuration does not incorporate screening of suppliers using MSRAT. This has been reflected in the updated MSPP with the requirement for the MSRAT removed for vendor onboarding. As a result, 553 newly onboarded suppliers were not screened using the MSRAT this year. We acknowledge that this has left a gap in our supplier due diligence approach. We are working to address this gap; noting that these suppliers were still screened using our compliance risk analytics software.

Our Procurement teams, in partnership with our Sustainability team, are working collaboratively to investigate solutions that will not only close this gap but enhance our risk assessment capabilities to include other sustainability factors, in addition to modern slavery, and ultimately improve our supplier due diligence approach.

Overview of supply chain due diligence approach



Modern Slavery Risk Assessment Tool

Fortescue's MSRAT was first developed in FY21 to help us assess the modern slavery risks of our suppliers. Each year we continue to update and refine the tool.

The MSRAT scores indicate supplier modern slavery risk as low, medium or high using four criteria: country risk; category risk; entity type and spend.

Country Risk

We understand that modern slavery risks exist in all countries, however, based on Walk Free's Global Slavery Index 2023 and other data sources, some countries have higher prevalence of modern slavery than others. The variance in prevalence is influenced by a range of factors including, for example, poor governance, conflict, socio-economic conditions such as poverty and forced migration due to climate change.⁸ This year we updated our country risk data using the prevalence data from Walk Free's Global Slavery Index 2023 and data from our ESG Country Risk platform. When assessing supplier country risks, Fortescue prefers to apply the source country (where the goods are produced or where the services are delivered) rather than the supplier headquarter country information, where available.

Industry/Product Risk

Just like country risk, certain industries and products have higher modern slavery risks due to a variety of factors such as the lack of regulation, poor supply chain visibility, or use of low skilled or migrant labour.

Entity Risk

Some entities have a history of human rights violations and/or poor governance. The ownership structure of a supplier is also considered including, for example, whether the company is publicly listed, private or state-owned. The ownership structure may provide an indicator of the organisation's transparency and extent to which it may be motivated by stakeholder human rights expectations.

Spend

Spend is not an indicator of modern slavery risk. Fortescue uses spend information to guide our assessment and focus on larger and strategic suppliers where we may have greater influence or leverage.

Each criterion is assigned a weighting to produce the indicative modern slavery risks score of the supplier. Scores of 3 and below are considered low risk; scores above 3 and less than 6.5 are considered medium risk; and scores 6.5 and above are considered high risk.

⁸ Walk Free, Global Slavery Index 2023

Supplier Self-Assessment Questionnaire (SAQ)

Our Supplier SAQ is an important tool in understanding not only the modern slavery risks for our Tier 1 suppliers, but also risks within their supply chains and how they are managing these risks. The SAQ asks suppliers about their own human rights and modern slavery due diligence and governance of their operations and supply chain risk; workforce conditions and recruitment practices; the availability of grievance mechanisms; specific questions about their supply chain and verification of compliance. This year, the SAQ was updated to further refine our modern slavery and human rights risk questions and to include additional sustainability questions around emissions and

waste management. We have also translated the SAQ to Mandarin to support our engagement with Chinese suppliers.

In FY22, we partnered with an independent modern slavery risk assessment platform to pilot their solution for automating our SAQ process and analysing responses. At the end of the pilot, we concluded that the platform was not fit for purpose and did not offer the level of analysis required to support our needs so we did not proceed with the platform this year. In FY24, we will investigate new electronic formats, including integration with our procurement systems, to improve Supplier SAQ data analysis and track ongoing monitoring activities.

FOCUS AREA

LABOUR HIRE AND RECRUITMENT SAQ

Fortescue recognises particular modern slavery risks associated with temporary and migrant labour. In response to this, we designed and piloted a bespoke Supplier SAQ specifically tailored for recruitment agencies providing labour hire workers at our sites outside Australia.

In addition to existing content in our standard Supplier SAQ, our Labour and Recruitment Supplier SAQ targets identification of red flags specific to labour hire and migrant workers:

- Use of temporary visas and nationality of migrant workers (used to identify transit from high risk areas).
- The recruitment value chain and engagement of third parties.
- Recruiter client management and worker welfare checks, including monitoring of working hours, verification of job descriptions and working conditions.
- Due diligence processes to monitor commitment to 'employer pays principle' and that workers are not required to pay a fee at any stage of the supply chain, especially where third parties are used for international labour hire.
- Verification of working rights, in country assistance (such as vetting accommodation) and repatriation support for migrant workers.

The responses were assessed by the Procurement and Human Rights teams. Responses that raised concerns were further investigated through additional engagement with the relevant recruitment agencies. For example, one response indicted wage deductions were being made without specifying the reasons. We sought additional information from the respondent about the wage deductions. The respondent explained that they deduct the cost of trade tools that they purchase and provide to workers so they can commence work with clients. The respondent purchases the tools upfront and gives them to the workers. The cost of the tools are then deducted from the workers wage over a six-month period, but only after the worker has been paid for a minimum period of time, and no interest is charged. Workers are informed of these deductions before commencing work for the client and the payment plan for trade tools is included in the employment contract.

Subsequently, with this additional information we determined the deductions were not an indication of exploitation. Following this finding, further adjustments were made to our Labour SAQ to enable easier identification of these types of practices and request details be provided in the SAQ response.

We have shared the pilot Labour and Recruitment Supplier SAQ with our peers through the Human Rights Resource and Energy Collaborative (HRREC) to seek feedback.

We will continue to pilot the Labour and Recruitment Supplier SAQ to support our approach to ethical recruitment.

In Depth Industry Risk Reports

We are committed to deepening our understanding of our suppliers and their multilayered supply chain, acknowledging that often, modern slavery risk will sit in the deeper tiers of our supply chain. We use in-depth industry risk reports from independent consultants to assist us to better understand the modern slavery supply chain risks for some of our high-risk product categories and enhance our due diligence approach. This year, we commissioned reports on battery supply chains and wind technology supply chains. We will also seek research reports from our internal Global Monitoring Centre to support our supply chain due diligence.

Supply Chain Mapping

Fortescue also undertakes supply chain mapping to gain greater visibility of the supply chains of high-risk categories beyond Tier 1. Our supply chain mapping tool is completed by our suppliers and allows us to gather information about key sourcing materials, product composition and country of origin of raw materials or manufacturing locations.

Using our supply chain mapping tool, we establish a better understanding of the proposed upstream supply chain and can work collaboratively with our suppliers to identify and communicate early indicators of modern slavery and human rights risks. Indicators vary but may include, for example, if the raw materials included in the product are known to have a higher risk of modern slavery either by virtue of where they are mined or processed; or where a component of the product is manufactured. Where modern slavery risks are identified, we look to work with suppliers to implement mitigation and monitoring actions specific to the risk identified.

This year, we further embedded supply chain mapping into our procurement processes by introducing traceability schedules into our standard tender documents with category and risk specific questions to guide the supplier's response.

Human Rights Site Visit Checklist

This year, we updated and relaunched our Human Rights Site Visit Checklist to empower our personnel to independently observe workplace and labour conditions at supplier sites. The checklist provides a list of observable working conditions for our personnel to consider while visiting a supplier site. These include health and safety observations such as fire exits and whether workers have access to appropriate personal protective equipment; freedom to move around and leave the facilities; demeanour and appearance of workers; observations about the working environment and/or culture; and the communication and/or availability of any grievance or worker feedback mechanisms. Fortescue personnel are encouraged to use the checklist when visiting a supplier site and it is included as one of the tools in the MSPP.

Audits

Fortescue recognises that audits can be a valuable part of ongoing supplier due diligence and verification. While we acknowledge there are some limitations and sensitivities, we are committed to working with our suppliers to create a transparent and robust process that provides mutual benefit.

We are currently taking a risk-based approach to supplier audits. When our due diligence process or monitoring indicates a high risk of modern slavery or a lack of transparency in our supply chain, we may audit to investigate the risk. When undertaking audits, we engage experienced third party audit companies with an established presence in the country where the audit is to be undertaken.

This year, we commissioned a third party auditor to undertake a chain of custody audit to verify the supply chain with one of our renewable technology suppliers. We also commissioned a separate third party auditor to undertake a worker welfare assessment at the facilities of the same renewable technology supplier. The audits will be concluded and reports provided by the auditors in FY24. The results of these audits will be shared with the supplier and any corrective actions for identified areas for improvement will be agreed.

To continue building our audit approach, work is underway to develop a supplier audit plan for our Energy and Metals businesses, following a risk based approach.

Independent audits are also used internally to assess our operations and those of our subsidiaries. In FY22, we commissioned an independent third party auditor to undertake a social and labour audit at Fortescue WAE as part of our acquisition due diligence process. In FY23, we continued to work with Fortescue WAE to action the identified improvement opportunities, mainly concerning management of overtime and fatigue risks, with our Human Rights Advisor meeting with the Fortescue WAE team in Oxford to assess progress.

FOCUS AREA

TRACEABILITY USING FORENSIC TESTING TECHNOLOGY

Last year we began exploring traceability options beyond traditional methods that generally rely on packaging, labels and certificates to prove material origin.

This year we partnered with a third party to test organic trace elements using forensic technology. This enabled us to determine the source origin of products against the third party's global sample database. This forensic method has proved effective at identifying the geographic origin of a product's trace elements, even if the packaging and/or labelling has been removed.

We designed a pilot using a category with strong supplier relationships and known regions associated with a high risk of forced labour.

We collected samples from three suppliers and conducted testing against markers for known high risk regions identified by Fortescue. The Sustainable Procurement team presented the findings supported with a technical debrief to all suppliers in collaboration with the third party testing company.

The results of the testing were used to guide further investigation of the supply chain beyond Tier 1.

These investigations are ongoing. Once completed any identified corrective actions or areas for improvement will be co-designed between Fortescue and our suppliers. We intend to provide a detailed case study our next statement. Fortescue's Sustainable Procurement and Human Rights teams will continue to work closely with the suppliers to close out the investigation and determine an agreed remediation plan.

Risk Management Plans

We use a Risk Management Plan (RMP) to guide and track suppliers identified as requiring greater due diligence and support. The RMP may be initiated when issues are identified through adverse media reports, compliance and monitoring activities (including SAQ responses) or an unwillingness of a vendor or supplier to agree to audits or other verification activities.

If suppliers do not demonstrate improvements over time, we may discontinue our engagement with them.

In FY22, we had four suppliers on an RMP. This year, after working with these suppliers to address concerns and monitor actions, only one of these four suppliers remains on an RMP.

Supplier onboarding and contractual clauses

Before being onboarded as a Fortescue supplier, suppliers are required to agree to and comply with Fortescue's key policies and standards concerning modern slavery including our: Code of Conduct and Integrity; Human Rights Policy; Procurement Policy; and Sustainable Procurement Standards. This process assists in communicating Fortescue's standards and approach to addressing modern slavery risks.

Suppliers are also required to comply with Fortescue's Standard Terms and Conditions which include provisions on modern slavery requiring suppliers to investigate and assess their modern slavery risks and implement due diligence actions and remediation programs to address their risks. Suppliers are required to include equivalent commitments in their contracts with their suppliers.

Our work to expand our standard contract terms and conditions to include general human rights obligations continued in FY23, with wording finalised and the expanded provisions being rolled out in a phased approach across Metals and Energy.

Supplier monitoring

We monitor our suppliers (through, for example, our supplier compliance screening and ongoing engagement) and external factors to better understand trends and changing conditions to understand how these may influence our modern slavery risks. When modern slavery risks or concerns are identified relating to particular industries, products or suppliers, we raise these issues directly with suppliers to improve our understanding of the situation.



Ship Vetting

Fortescue directly operates eight vessels and charters others to transport our iron ore to our customers. We acknowledge that the international shipping industry is a high-risk industry for modern slavery and other human rights issues. We implement actions to mitigate these risks.

We vet all vessels nominated to Fortescue's terminal using specific criteria to help ensure we only use vessels that meet our standards.⁹ We continue to use our Vessel Nomination Questionnaire (VNQ), as implemented in FY21, for our ship vetting process which includes questions in relation to the Maritime Labour Convention.

The VNQ was developed internally by our Ship Vetting and Quality Team to improve our due diligence approach and understanding of seafarer conditions on the vessels. The VNQ is sent to a vessel at the time of nomination prior to its arrival and includes a Maritime Labor Convention risk management tool.

Better evaluation outcomes are achieved when multiple data sources are used. Accordingly, our ship vetting process incorporates data obtained from RightShip, publicly available databases such as Equasis and previous performance records held by Fortescue.

Contractually, the owners of vessels engaged by Fortescue must warrant certain conditions and standards are met and in line with terms defined by the International Labor Organisation, including present or future International Labour Organisation Conventions.

In addition, the vessels chartered by us must comply with the Maritime Labour Convention, specifically Regulation 5.15. This regulation requires that vessels have an onboard complaints procedure and grievance mechanism. Vessels must also have a valid Maritime Labour Certificate and Declaration of Maritime Labour Compliance issued by the Flag State or Recognised Organisation of the vessel.

Fortescue's internal Ship Vetting and Quality team conducts vessel inspections. While these inspections are mainly focused on vessel safety and quality, seafarer welfare and labour are also assessed, including quantity and quality of food provisions, operation of air conditioning and temperature within the accommodation, cleanliness of food handling and serving areas, and access to shore leave.

In FY23, we conducted 17 vessel inspections. We plan to incrementally increase vessel inspections in FY24.

For information about engagement and collaboration work with the Mission to Seafarers and the Pilbara Port Authority Seafarer Welfare Committee see page 35.

⁹ Vessel Nomination: The process by which a performing vessel is nominated to Fortescue in line with contractual terms.

TRAINING AND AWARENESS RAISING

We undertake a number of training, capacity building and awareness raising activities to support the management of our modern slavery risks, including:

- employee engagement
- employee training
- supplier engagement, onboarding and training.

Employee engagement

Ongoing engagement with our employees in relation to human rights, including modern slavery, helps us to communicate our expectations and raise awareness across the business about these issues. Our Human Rights Advisory Group met once this year, with plans to reinvigorate the group in FY24. The Sustainability team presents at company wide meetings and hosts lunch and learn sessions on human rights and modern slavery. This year we hosted Walk Free for a lunch and learn session on their Global Slavery Estimates 2022 and Corrs Chambers Westgarth for a session on the intersection of human rights and the environment.

In FY23, the Sustainability team's dedicated intranet hub site was reestablished, with pages dedicated to human rights and modern slavery topics. The site provides a centralised location for personnel to access to our policies, standards, due diligence procedures and tools; and links to additional external resources and learning materials. The Sustainability team uses this hub site and workplace social media platform to share our actions to address human rights and modern slavery risks in our business such as recordings of our lunch and learn sessions as well as providing resources from Walk Free, UN Global Compact and Be Slavery Free.

Employee training

Training builds awareness, informs and empowers our Fortescue personnel to achieve our commitment to respecting and supporting human rights, including identifying and addressing modern slavery risks in our operations and supply chain.

Recognising all our employees have a role to play in ensuring we respect human rights, all employees are required to undertake mandatory human rights training, either via our online module or our more advanced face-to-face module for personnel in higher risk teams.

In FY23, we continued the rollout of our online training module. This online training module aims to provide our personnel with an introduction to business and human rights; Fortescue responsibilities and commitments; modern slavery and our actions to identify, assess and

address risks in our operations and supply chain; how to report human rights and modern slavery concerns; our grievance mechanisms; and where to seek further support in the business. This year we translated the online module to Spanish, Portuguese and Russian (for our Kazakhstan activities) and are finalising the translation of the module to French.

We also continued the delivery of our advanced face-to-face human rights and modern slavery training to employees working in high-risk areas, including, but not limited to, our Communities, Procurement and Logistics, Security, Exploration and international teams. This training provides a more detailed discussion of topics covered in the online training module, including discussion of real case and scenario examples from the energy and resources sectors to contextualise the discussion, reinforce the importance of continuous due diligence and remediation, demonstrate Fortescue policies and procedures in action, and apply participants' understanding. This year, the modern slavery content was updated to include reference to new data in Walk Free's Global Slavery Estimates and Global Slavery Index 2023. In our FY22 Statement, we proposed implementing a quiz post training to test participants' knowledge. However, based on feedback from participants, instead, case studies and scenario-based knowledge checks were included to facilitate discussion and apply the content.

In FY23, the online training module was completed by more than 8,371 employees and the face-to-face module was completed by over 875 employees.¹⁰ We also developed a training dashboard in FY23 to track and display the delivery of human rights and modern slavery training across the business.

This year, training on the updated MSPP was provided to the Metals Procurement and Logistics team with 71 employees completing the training. Going forward, all new starters in the Procurement and Logistics team will be required to complete standard Sustainable Procurement training, including the MSPP, within three months of joining. The updates to the MSPP were also communicated in team meetings for the Energy Contracts, Procurement and Supply Chain team.

In FY24, we have scheduled dedicated human rights training for our Directors as part of the Directors Education Program.

¹⁰ The 875 employees who completed the face-to-face training module included high risk employees allocated the training and employees who self-nominated to complete the module.

Supplier engagement

Supplier engagement is key to our due diligence process, and provides an opportunity for us to share knowledge with and build the capacity of our suppliers.

Our engagement with suppliers on modern slavery topics continues to be undertaken predominantly on a one-to-one basis, in addition to general updates sent out to all suppliers as required.

Our approach to engagement with suppliers focuses on awareness and collaboration, underpinned by the following principles:

- building collaborative partnerships
- risk based engagement
- recognising influence
- seeking feedback.

Our Procurement teams engage regularly with our suppliers through the vendor onboarding process, due diligence relating to risk assessments and the SAQ process, during contract negotiations and throughout the life of the contract. Category managers are responsible for maintaining regular contact with their suppliers, including on modern slavery. This engagement is supported by our Sustainable Procurement leads and Sustainability team.

Supplier Information Pack

In FY23, in response to feedback from some suppliers seeking clarification about Fortescue's human rights and modern slavery clauses and Fortescue's approach to modern slavery, we developed our Supplier Information Pack: Foundational Human Rights. The Information Pack includes:

- a definition of human rights and reference to the Universal Declaration of Human Rights
- why Human Rights are important to business
- an outline of modern slavery, including types of modern slavery and its global prevalence
- common indicators of modern slavery
- high level business actions to addressing modern slavery risks
- links to resources.

This Supplier Information Pack is available on our website as part of our vendor documentation. The Supplier Information Pack has also been translated to French.

FOCUS AREA

JOINT MODERN SLAVERY TRAINING WITH SUPPLIER

In FY23 we engaged a third party specialist to deliver our first joint modern slavery training project with a renewables technology supplier. This was part of our advanced due diligence approach for renewables (for additional information, please refer to the case study Renewables – Advanced Due Diligence in our FY22 Statement). The training was an advanced two-hour module developed in collaboration with the supplier and delivered by a third party specialist human rights and labour consultancy. The training included detailed discussion of:

- modern slavery, with a focus on forced labour
- ILO forced labour indicators and how to identify these indicators in practice
- prevention and mitigation actions
- remediation and challenges to effective remediation.

Case studies, activities and knowledge checks were used to encourage discussion during the session, test the participants understanding of the material and develop implementation strategies.

The training was delivered through two sessions; one in English and one in Chinese in the first week of July 2023. The training was attended by representatives from across our business, including representatives from the Sustainability, Procurement for Metals and Energy, Major Projects, Contracts, Sales, Engineering and Legal teams, along with representatives from our suppliers.

GRIEVANCE MECHANISMS AND REMEDY

Fortescue is committed to providing for or cooperating in remediation where we identify that we have caused or contributed to an adverse human rights impact, including incidences of modern slavery. We are currently working to finalise and implement our Remediation Framework which is designed to set out a rights holder centred approach for remediating any adverse impacts that we identify that we have caused or contributed to in a manner that aligns to the UN Guiding Principles. Our Remediation Framework will also build upon the guidance set out in the Modern Slavery Response & Remedy Framework published by Walk Free and HRREC. This year, we used the Walk Free Framework to guide the development of our Investigation and Remediation Template (see page 33).

A key part of enabling access to remedy is the provision of effective grievance mechanisms. We provide a number of mechanisms for employees, contractors and third parties, including community members, suppliers and supply chain workers, to raise concerns, including potential instances of modern slavery, other human rights concerns, suspected or actual illegal activities and breaches of Fortescue's policies, including our Code of Conduct and Integrity.

We also recognise the importance of accessible grievance mechanisms for workers in our supply chain. Our Sustainable Procurement Standard specifies that suppliers should have a grievance process available to employees, and our supplier SAQ asks suppliers questions about the availability of grievance mechanisms for workers in their businesses. Our vessel inspections also include an assessment of whether the relevant dispute resolution procedure is appropriately posted on the vessel.

Grievance Procedure

Our corporate Grievance Procedure sets the minimum standard for local mechanisms at our sites and is designed to help ensure external stakeholders have access to locally appropriate mechanism to raise grievances. The Grievance Procedure was updated in FY22 to improve alignment with the UN Guiding Principles' effectiveness criteria for non-judicial grievance mechanisms.

The Grievance Procedure requires grievances be recorded, investigated and resolved in a timely manner. Our Communities teams take a lead role in the implementation of the Grievance Procedure on the ground across our activities, while the Sustainability team provides strategic support and guidance on its implementation. Work is scheduled for FY24 to review the Grievance Procedure and to improve implementation across our domestic and international sites.

Speak Up

We are committed to providing our employees with access to a fair, transparent, and confidential process to resolve grievances. Our Speak Up program encourages employees to raise concerns, including modern slavery and human rights concerns, directly with their line managers, leaders, or Fortescue People team in a confidential manner. These concerns can be raised face to face, via email, or phone. Our Fair Treatment Procedure helps to ensure grievances are managed transparently and fairly.

The Speak Up program is covered in our human rights training modules with Fortescue employees encouraged to raise modern slavery concerns with the Sustainability Team.

Whistleblower Hotline

In addition to our Speak Up and local grievance mechanisms, Fortescue has a global Whistleblower Hotline. The Whistleblower Hotline is a secure, confidential and independent channel operated by an external third party (Deloitte), and is available for anyone to raise concerns, seek further assistance or report potential conduct breaches such as bribery, corruption, conflict of interest, fraud, theft, serious misconduct, dishonesty, danger to the public or financial system, or an improper state of affairs. Human rights concerns, including modern slavery concerns, may be reported through the Whistleblower Hotline.

The Whistleblower Hotline has toll free phone numbers, online reporting (email and portal) and post options; is available in multiple languages; accessible 24 hours, seven days a week; offers the option to be anonymous and the ability to follow up on concerns raised.

The process of assessing and investigating concerns is set out in our Whistleblower Hotline Policy. All concerns reported are reviewed by the Senior Manager, Governance and Compliance, who either conducts or commissions an investigation to ensure appropriate action is taken. All material allegations of misconduct are reported to the Board via ARMSC. All potential human rights and modern slavery concerns or allegations received via the Whistleblower Hotline are investigated following the process set out in our Whistleblower Policy. The effectiveness of the Whistleblower Hotline is regularly reviewed by the Global Governance and Compliance Team.

In FY23, 60 Whistleblower Hotline disclosures were reported. The majority of the disclosures concerned employee relations matters, including concerns of antisocial behaviour such as bullying and harassment.

We received two concerns relating to modern slavery. One related to potential modern slavery risks in the supply chain of a product being considered by our Energy business. An investigation was conducted by our Human Rights team in collaboration with our Contracts, Procurement and Supply Chain team. The investigation included a review of the current due diligence approach being applied, a review of public information about modern slavery risks in the particular relevant category and source country; and a site visit to the premises of the suppliers concerned. As a result of these actions, no evidence or red flags of modern slavery were identified within the supply chain. However, the risks of modern slavery beyond Tier 1 for this particular product are acknowledged, and due diligence actions continue to be undertaken to further understand the supply chain beyond Tier 1 with the objective to identify and address any potential modern slavery risks. The second disclosure concerns historic labour hire/recruitment, and the investigation into this matter is ongoing.

REPORTING OPTIONS

Free call Freecall:

- Australia: 1800 976 100
- Argentina: 0800 666 3065
- China: 400 120 0518
- Colombia: 01800 518 9198
- Ecuador: 1800 001 144
- Indonesia: 0800 1503233
- Kazakhstan: +7 (727) 295 0591
- Kenya: 0800 211 239
- Papua New Guinea: 0008 61283
- Democratic Republic of the Congo & Gabon*: +61 (3) 9667 3692
- United Kingdom: 0808 149 1671
- USA/Canada: 1 (877) 642 8076
- Mexico: 800 099 1622
- Brazil: 0800 580 0584
- Chile: 800 914 784
- Peru: 0800 70892
- Singapore: 800 852 3943
- Other International Jurisdictions +61 (3) 9667 3692

*call to these lines will incur international calling costs

Email Fortescue@deloitte.com.au

Online www.fortescue.deloitte.com.au

Post Deloitte Whistleblower Service
Reply Paid 12628
A'Beckett Street
Melbourne VIC 8006

FOCUS AREA

INVESTIGATION AND REMEDIATION TEMPLATE

As an outcome of the forensic traceability pilot, we developed an Investigation and Remediation Template using guidance from Walk Free and HRREC's Modern Slavery Response & Remedy Framework. This template assists Fortescue and our suppliers to investigate, verify and remedy identified indicators of potential modern slavery risks in its supply chain.

The purpose of the template is to communicate Fortescue's minimum expectations and to provide suppliers with a clear structure for investigating an indicator of modern slavery in their supply chain.

The template is a collaborative tool that is completed by Fortescue and the supplier to:

- identify the risk and include a description of potential indicator
- outline the supplier's current due diligence processes and procedures
- map out the known supply chain inputs
- describe how the investigation was completed by the supplier, key outcomes, any limitations, and proposed remediation activities
- determine a joint remediation plan and monitoring routines.

As the first investigations using this template are still ongoing, the outcomes of the use and its effectiveness will be discussed in our FY24 statement.

ENGAGEMENT AND COLLABORATION

Stakeholder engagement and communication

Engaging with a range of stakeholders, including suppliers, investors, regulators, customers, industry peers and civil society, is a critical part of our human rights including modern slavery approach.

Our modern slavery statement, together with our policies, standards, formal and informal communication such as our Annual General Meeting, provide opportunities for disclosing our actions to identify, assess and address modern slavery risks in our operations and supply chain. We also communicate through other platforms such as media statements, reporting publications and our website.

Our website, www.fortescue.com includes a dedicated human rights page outlining our commitment to human rights, including modern slavery, and our management approach.

Collaboration

Addressing modern slavery requires collective action across a broad range of stakeholders including, for example, governments, business, suppliers, industry organisations, and civil society to drive change to address modern slavery at the cause and protect rightsholders. Collaboration is key to sharing and improving awareness, knowledge and best practice approaches, including survivor/rights holder-centred remediation. We collaborate with a number of stakeholders including, peers, multi-stakeholder forums, suppliers, industry organisations, partners and civil societies on human rights and modern slavery topics, set out below.

UN Global Compact

Fortescue is a signatory to the UN Global Compact. We also actively participate in the UN Global Compact Network Australia's Modern Slavery Community of Practice which provides a forum for peer sharing and learning. This year our Human Rights team also completed the UN Global Compact's Business and Human Rights Accelerator – a six-month capacity building program which included participants from across industries and the world.

Human Rights Resource and Energy Collaborative (HRREC)

Fortescue is a founding member of HRREC (formerly WAMSC) and takes an active role in the initiatives of the collaborative. HRREC is a self-led industry collaboration which provides a forum for the mining, energy and resources sector to share knowledge, learnings, challenges and best practice approaches to modern slavery. Key activities in FY23 included:

- Launching a Modern Slavery Response and Remedy Framework, developed in collaboration with Walk Free;
- Developing a Frequently Asked Questions guidance document on social auditing in supply chains with the objectives to provide clarity to suppliers, promote awareness of social audits (their benefits and limitations) and encourage companies and suppliers to participate in social audits to assist in reducing the risks of modern slavery and related labour exploitation in the supply chain; and
- Contributing to HRREC's submission to the Commonwealth Government's independent review of the Act.

In addition to these initiatives, Fortescue hosted two HRREC meetings in FY23, one for the shipping workstream and one for the general workstream.

Fortescue will continue to take an active role in HRREC.

Walk Free

We continue to work closely and engage with Walk Free to share knowledge and learnings in addressing modern slavery. Our Founder and Executive Chairman, Dr Andrew Forrest AO, founded Walk Free with his daughter Grace Forrest. This year, Walk Free presented a Lunch and Learn session on their Global Slavery Estimates 2022.

Engaging with government

This year Fortescue attended the Commonwealth Government's 'Taking Action Together' Modern Slavery Conference held in Melbourne. The Conference was attended by international, national and state governments, industry, civil society, academia and survivors.

Fortescue also participated in face-to-face consultations with Professor John McMillan as part of the Commonwealth Government's independent review of the Act.

Shipping

In FY23, we continued our partnership with the Mission to Seafarers. The Mission to Seafarers and the Port Hedland Seafarers Centre provide support and recreation services to improve the wellbeing of seafarers. In FY23, Fortescue provided more than \$140,000 to the Port Hedland Seafarers Centre contributing to seafarer welfare services such as the launch services to bring crew ashore. This year, our Human Rights Team visited the Mission to Seafarers and Port Hedland Seafarer Welfare Centre to learn more about the services provided to seafarers and seafarer wellbeing challenges.

Fortescue also participates in the Pilbara Ports Authority Seafarer Welfare Committee whose primary objective is to facilitate and help ensure that seafarers receive the highest levels of welfare services reasonably possible. The Committee meetings are attended by Fortescue's representatives from our Human Rights Team and Port Hedland Operations.



FOCUS AREA

PARTNERSHIP WITH THE AUSTRALIAN RED CROSS

Conflict is understood to be a risk multiplier for human rights concerns. Walk Free's Global Slavery Index highlights the role of conflict in increasing the vulnerability of people, particularly displaced persons, women and children, to exploitation and modern slavery.¹¹

Fortescue recognises security and conflict as one of its eight salient human rights risks, particularly as our geographical footprint expands to regions where there may be higher risks of conflict than Australia. To assist in addressing this salient risk, Fortescue is working to align our business to the Voluntary Principles on Security and Human Rights. In addition to our mandatory business and human rights training, we recognised a need to build a better understanding in the business of our responsibilities in conflict and under International Humanitarian Law.

We partnered with the Australian Red Cross to develop and translate an Introduction to Security, Armed Conflict and International Humanitarian Law training module. The objective of this training is to improve understanding of the causes and nature of conflicts, the obligations of actors to adhere to human rights and international humanitarian law standards. By enhancing our understanding of these topics, it provides a foundation upon which Fortescue can develop our approach to identifying and managing human rights risks. This training will be rolled out to nominated teams, such as Security, Global Governance and Compliance, Sustainability, Communities, Legal, teams working on international projects and employees based overseas throughout FY24.

The training is available in English, Spanish, Portuguese, French and Russian.

Fortescue and the Australian Red Cross partnered with Corrs Chambers Westgarth to launch the translated training modules with a panel session hosted at their offices in Perth.

¹¹Walk Free, Global Slavery Index 2023.

ASSESSING OUR EFFECTIVENESS

We consider an effective response to modern slavery to involve the identification of modern slavery risks in our operation and supply chain, through robust due diligence actions, supported by the right policies and processes. It also involves taking action to address identified risks and using our leverage where possible to drive action across our value chain. Where modern slavery is identified, an effective response involves taking the appropriate actions based on the UN Guiding Principles to provide for, cooperate in or encourage effective remedy as far as possible and prevent future harm.

Assessing the effectiveness of our actions and striving for continual improvement is a key aspect of our approach to identifying, assessing and addressing modern slavery risks in our operations and supply chain. However, there are challenges to assessing the effectiveness of our actions including the fact that modern slavery is often hidden, more difficult to identify and address where we have less control and/or leverage, and the risks are greater beyond Tier 1 of our supply chain where visibility is reduced.

We evaluate the effectiveness of our actions through a range of formal and informal processes and indicators including:

- Reviewing and updating our modern slavery (and broader human rights) risk assessments in our operations and supply chain to help us continue improving our approach to respond to our evolving risk profile
- Undertaking periodic and external reviews of our processes and procedures to help us understand how these are working in practice and identify opportunities for continuous improvement

- Conducting due diligence activities, such as audits which help us to understand areas of risk in greater detail (including with particular suppliers), and identify specific corrective actions
- Collaborating, engaging and seeking feedback from other organisations and our peers to share knowledge and improve performance and outcomes
- Engaging with our suppliers as part of our supplier screening and monitoring processes, which provides insights into where individual suppliers are improving their modern slavery risk management approaches and how we can further support their efforts
- Tracking our actions via key performance indicators (KPIs) (elaborated in the table below) which help us measure implementation of our programs and progress
- Benchmarking our performance against stakeholder expectations to identify opportunities for continuous improvement

Feedback from internal and external stakeholders is also valued in assessing the effectiveness of our actions to address modern slavery risks. While this is often ad hoc and difficult to quantify, it is a further useful input in helping us to assess and improve our various activities. For example, feedback from our internal stakeholders assists us to continually improve our training approach (see page 29). When piloting new due diligence tools such as our forensic traceability pilot, our new labour SAQ, and our new modern slavery investigation and remediation template we seek feedback from our external stakeholders including, for example, suppliers, civil society and peers (see pages 34-35). This feedback is valuable in helping us refine our approach.

KPI	FY23 TARGET	FY23 RESULT	COMMENTARY
Percentage of high-risk employees who complete human rights and modern slavery training	100%	39%	The face to face training has been allocated to 2,792 employees identified as high risk. As of 30 June 2023, this training has been completed by 1,098 of the identified employees.
Percentage of new suppliers screened and monitored via third party platform	100%	100%	As part of our onboarding all vendors are assessed via our risk analytics software (see page 24).
Number of suppliers on Risk Management Plans		1	See page 28.
Percentage of high-risk suppliers issued an SAQ as at 30 June 2023	100%	-	<p>There have been changes to our collection of SAQ data. In FY22, we partnered with an independent modern slavery risks platform to pilot their SAQ solution. This year we decided not to proceed with the platform as it did not meet our needs (see page 26)</p> <p>The MSPP requires a SAQ to be issued with any high-risk RFX events (see page 24). This year we issued SAQs to 51 potential suppliers during high risk RFX events. During FY24 we will focus on ways to improve tracking of the issuing of SAQ's and responses and investigate options for integration within our procurement systems to improve data analysis, tracking and monitoring.</p>
Number of identified modern slavery incidences/ indicators (not formally reported)	-	0 incidences 1 indicator	This year we did not identify any confirmed instances of modern slavery in our operations or our supply chain. However, we did investigate one indicator of modern slavery in our supply chain (see page 28)
Number of human rights related grievances (including modern slavery) reported	-	2	This year we received two concerns relating to modern slavery (see pages 32-33)










Focusing on impact

We recognise that there are a number of challenges in assessing the effectiveness of a company's actions to assess and address modern slavery risks – including assessing whether our actions are having a positive impact on rights holders at risk, for example, those who may be multiple tiers down our supply chain.


We are working to mature our approach to assessing effectiveness. We are exploring options to shift our output-focused KPIs to outcome-focused KPIs to help us better understand the impacts of our actions, improve practices, and ultimately better outcomes for rights holders. Strengthening our approach to assessing effectiveness will also help us identify more impactful improvements to our modern slavery approach.

In FY24, we will be focusing on the impact of our internal training. Our current KPI measures percentage of high-risk employees who complete human rights and modern slavery training. The intended outcome is to improve the awareness and understanding amongst our employees of our human rights and modern slavery responsibilities, commitments and approach. The intended impact is that after the training our employees report having increased awareness of our human rights and modern slavery responsibilities, commitments and approach and how they can contribute. Our current KPI does not measure the desired impact. To track our desired impact we have implemented new survey questions asking our employees (a) how useful the training was in improving their understanding, and (b) to identify ways they can contribute to or take action to support Fortescue's approach.

We are also challenging ourselves to think more innovatively about how we can track and assess the ad hoc and informal feedback we receive from a range of stakeholders, including employees and suppliers, to better inform our approach.


IDENTIFYING AND ADDRESSING RISKS			
ACTION	STATUS	COMMENT	PAGE
Continue to further refine our MSRAT		This year, we updated the country data informing our MSRAT to include reference to Walk Free's Global Slavery Index 2023 and updated country risk scores from our third party ESG country monitor platform.	25
Investigate traceability options and technology to assist with identification of supply chain risks beyond Tier 1		Fortescue trialled traceability technology with three suppliers in a high-risk category. The results indicated potential links to modern slavery and are being investigated with our suppliers. This work will continue next year, while we also assess the effectiveness of this traceability technology.	28
Investigate worker voice tools to provide additional channels for supply chain workers to raise issues or concerns		This year we investigated some worker voice tools. Our intention is to continue to look for opportunities to integrate worker voice tools in our approach.	-
Continue to review the effectiveness of risk screening software		Fortescue continues to review the effectiveness of our due diligence approach, including risk screening software. In FY23 we continued our use of the ESG country risk platform and commenced work to identify a supplier ESG risk screening tool to integrate into our MSPP for vendor onboarding. This work will continue in FY24.	24-25
Expand vessel inspections to further assess seafarer wellness and labour conditions		This year we conducted 17 vessel inspection and have plans to expand this into next year.	29
AWARENESS & PREVENTION			
ACTION	STATUS	COMMENT	PAGE
Translate our online human rights and modern slavery training module into relevant languages as required.		In FY23, our online human rights training module was translated to Spanish, Portuguese and Russian. Work commenced to translate the module to French.	30
Update vendor form to include human rights clauses		The Fortescue vendor form has been updated to include human rights clauses in addition to modern slavery. This update will be implemented in FY24.	-
Commence risk-based phased rollout of updated human rights and modern slavery clauses		Our work to expand our supplier terms and conditions to include human rights and modern slavery obligations continued in FY23. These expanded clauses are being implemented in a phased approach in the business.	28
Complete implementation of updated tender schedule		Tender schedules have been updated and work to review effectiveness and improve our Rfx schedules is scheduled for FY24.	24

 Complete

 Ongoing

MONITORING, ENGAGEMENT AND COLLABORATION			
ACTION	STATUS	COMMENT	PAGE
Continue to engage with suppliers to raise awareness of our expectations and improve performance		Fortescue engages regularly with suppliers through the vendor onboarding process, contract negotiations, agreements, and contract management. This year we conducted our first joint training session with a strategic supplier and developed our Supplier Information Pack: Foundational Human Rights. We will continue to look for ways to improve this engagement in FY24.	34
Collaborate with civil society to improve our approach to remediation		Work continues to finalise our Remediation Framework. We also endeavour to collaborate with civil society in our approach to remediation.	32, 34
Finalise our audit protocol for social labour audits in collaboration with HRREC		Through our engagement with HRREC, Fortescue contributed to the finalisation of HRREC's Social and Labour Audit Frequently Asked Questions Guidance document.	34
EFFECTIVENESS			
ACTION	STATUS	COMMENT	PAGE
Evaluate our modern slavery KPIs to ensure value in measuring performance and effectiveness		Work commenced in FY23 to evaluate our modern slavery KPIs.	36-37
Identify qualitative/outcome based measures to complement our existing qualitative/output KPIs		Work commenced in FY23 to identify qualitative/outcome based measures to complement our existing KPIs.	36-37
HUMAN RIGHTS			
ACTION	STATUS	COMMENT	PAGE
Strengthen and formalise our human rights due diligence framework and developed related guidance and tools; including develop Human Rights Standard		Work is continuing to finalise our human rights due diligence framework and human rights standard.	16-17
Continue to implement our grievance procedure and develop a remediation protocol.		Our corporate Grievance Procedure sets the minimum standard for local mechanisms at our sites and is designed to help ensure external stakeholders have access to locally appropriate mechanism to raise grievances. The Grievance Procedure was updated in FY22 to improve alignment with the UNGP's effectiveness criteria. Our remediation protocol will be finalised in FY24.	32
OTHER			
ACTION	STATUS	COMMENT	PAGE
Externally assure FY23 Modern Slavery Statement		Key metrics in the FY23 Modern Slavery Statement externally assured.	4

 Complete

 Ongoing

LOOKING AHEAD

We have the following priorities for continuing to strengthen our modern slavery approach looking forward:

Identification and addressing risks

- identify and implement a screening solution to close the gap in our MSPP
- improve use, assessment and tracking of supplier SAQs
- complete the pilot project for forensic traceability technology
- continue to improve our advanced due diligence approach for renewable technologies
- refine and improve our tender schedules.

Awareness and prevention

- continuously improve internal training modules to enhance understanding and influence actions across the business
- review grievance procedure and implement a remediation protocol.

Engagement and collaboration

- continue engagement with HRREC and civil society to improve our due diligence approach and guide remediation.

Assessing effectiveness

- continue to evaluate and refine our modern slavery KPIs with a focus on the intended impacts of our actions and support continuous improvement.

Human rights

- launch the human rights due diligence framework, guidance and tools
- refresh the Human Rights Advisory Group.

These priorities have been identified with the objective of continuously improving our actions and approach to addressing modern slavery risks in our operations and our supply chain, and acknowledge some of these priorities may span over a number of reporting periods.



APPENDICES

Appendix 1 Navigational Index

AUSTRALIAN MODERN SLAVERY ACT 2018 (CTH) MANDATORY REPORTING CRITERIA – SECTION 16	REFERENCE IN THIS STATEMENT
Identify reporting entity	About this Statement: page 4 About Fortescue: pages 7-12
Describe the reporting entities structure, operations and supply chain	About Fortescue: pages 7-12
Describe the risks of modern slavery practice in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	About Fortescue: pages 7-12 Identifying our modern slavery risks: pages 16-19
Describe the actions taken by the reporting entity and any entity that the reporting entity own or controls, to assess and address those risks, including due diligence and remediation process	Governance 14-15 Addressing our modern slavery risks: pages 20-33
Describe how the reporting entity assesses the effectiveness of such actions	Assessing our effectiveness: pages 36-39
Describe the process of consultations with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	About this statement: page 4 Appendix 2: page 41
Any other information that the reporting entity, or the entity giving the statement, considers relevant	Engagement and collaboration: page 34-35 Looking ahead: page 40

Appendix 2 Reporting Entities for the purposes of the Modern Slavery Act 2018 (Cth)

REPORTING ENTITIES FOR THE PURPOSES OF THE MODERN SLAVERY ACT 2018 (CTH)				
ACTION	ENTITY	OWNER	NATURE OF ACTIVITIES	EMPLOYING ENTITY
Australia	Fortescue Ltd	Ultimate Holding Company	See About Fortescue (page 7)	Yes
Australia	Chichester Metals Pty Ltd	FMG Pilbara Pty Ltd	Goods and services for Christmas Creek and Cloudbreak	No
Australia	FMG Solomon Pty Ltd	FMG Pilbara Pty Ltd	Goods and Services for Solomon and Eliwana	No
Australia	The Pilbara Infrastructure Pty Ltd	International Bulk Ports Pty Ltd	Goods and Services for Yard, Anderson Point Port and associated rail infrastructure	Yes

Appendix 2 Reporting Entities for the purposes of the Modern Slavery Act 2018 (Cth)

ADDITIONAL ENTITIES/SUBSIDIARIES WITH OVER \$1 MILLION (AUD) IN PROCUREMENT SPEND				
JURISDICTION	ENTITY	OWNER	NATURE OF ACTIVITIES	EMPLOYING ENTITY
Singapore	FMG International Pte. Ltd.	Fortescue Ltd	Operational shipping company	Yes
China	FMG Trading Shanghai Co., Ltd	Fortescue Ltd	Import and sale of iron ore in China	Yes
United Kingdom	WAE Technologies Limited	Fortescue WAE Pty Ltd	Part of the WAE Group that provides technology and engineering services	Yes
Australia	Fortescue Future Industries Pty Ltd	Fortescue Ltd	Top holding company for the green energy business	No
Kazakhstan	Kazakhstan Fortescue LLP	FMG International Exploration Pte. Ltd.	Exploration activities in Kazakhstan	Yes
Australia	Pilbara Marine Pty Ltd	International Bulk Ports Pty Ltd	Goods and services for towage operations	No
Australia	FMG Procurement Services Pty Ltd	Fortescue Ltd	Goods and services for global operations	No
Australia	FMG Air Pty Ltd	Fortescue Ltd	Aviation and associated services	No
Argentina	Argentina Fortescue Future Industries S.A.	93% Australian Fortescue Future Industries Holdings Pty Ltd 7% Fortescue Future Industries Pty Ltd	Pursue green energy opportunities in Argentina	Yes
Australia	FMG Autonomy Pty Ltd	Fortescue Ltd	Activities relating to the commercialisation of autonomous vehicles	No
Australia	FMG Resources Pty Ltd	Fortescue Ltd	Pursue exploration activities in Australia and overseas	No
Democratic Republic of the Congo	Democratic Republic of Congo Fortescue Future Industries Ltd	South Africa Fortescue Future Industries Proprietary Limited	Pursue green energy opportunities in DRC	Yes

ADDITIONAL ENTITIES/SUBSIDIARIES WITH OVER \$1 MILLION (AUD) IN PROCUREMENT SPEND				
JURISDICTION	ENTITY	OWNER	NATURE OF ACTIVITIES	EMPLOYING ENTITY
Indonesia	PT Indonesia Fortescue Infrastructure	50% Fortescue Future Industries Pty Ltd 50% Australian Fortescue Future Industries Holdings Pty Ltd	Pursue green energy opportunities in Indonesia	Yes
Australia	Fortescue Future Industries International Pty Ltd	Fortescue Future Industries Pty Ltd	Goods and services for Fortescue Energy that are solely internationally based	No
Brazil	Brasil Fortescue Mineração Limitada	FMG Exploration Pty Ltd	Pursue green energy opportunities in Brazil	No
Chile	Chile Fortescue SpA	FMG Exploration Pty Ltd	Pursue green energy opportunities in Chile	No
Argentina	Argentina Fortescue S.A.U.	FMG Exploration Pty Ltd	Pursue green energy opportunities in Argentina	Yes
Chile	Chile Fortescue Future Industries SpA	Australian Fortescue Future Industries Holdings Pty Ltd	Pursue renewable energy and green hydrogen production projects in Chile	No
USA	MIH2 USA People, Inc	MIH2 USA, Inc	Employing entity for Fortescue Energy in the USA	Yes
Portugal	Portugal Fortescue, Unipessoal LDA	FMG International Exploration Pte Ltd	Pursue metals exploration opportunities in Portugal	Yes
Kenya	Fortescue Future Industries Kenya Ltd	Fortescue Future Industries Pty Ltd	Pursue renewable energy generation opportunities in Kenya	Yes
Ecuador	Ecuador Fortescue S.A.	50% FMG Ecuador Tenements Pte. Ltd. 50% FMG Ecuador Operations Pte. Ltd.	Pursue metals exploration opportunities in Ecuador	Yes
Brazil	Brasil Fortescue Sustainable Industries Limitada	Australian Fortescue Future Industries Holdings Pty Ltd	Pursue renewable energy generation opportunities in Brazil	No

ADDITIONAL ENTITIES/SUBSIDIARIES WITH OVER \$1 MILLION (AUD) IN PROCUREMENT SPEND				
JURISDICTION	ENTITY	OWNER	NATURE OF ACTIVITIES	EMPLOYING ENTITY
Australia	FMG Personnel Services Pty Ltd	FMG Personnel Pty Ltd	Australian employing entity	Yes
Gabon	Ivindo Iron SA	90% Belinga Joint Venture Company Limited (in which Fortescue has an 80% equity holding) 10% The Gabonese Republic	Iron ore exploration and mining activities in Gabon	Yes
Australia	FMG Pilbara Pty Ltd	Fortescue Ltd	Tenement holder	No
Australia	FMG Magnetite Pty Ltd	FMG Iron Bridge (Aust) Pty Ltd	Iron Bridge Joint Venture participant	No
Australia	Karribi Developments Pty Ltd	Fortescue Ltd	Owner of Hamilton Village	No
Australia	Pilbara Energy Company Pty Ltd	Fortescue Ltd	Holder of transmission line assets	No
Australia	Pilbara Energy (Generation) Pty Ltd	Pilbara Energy Company Pty Ltd	Holder of generation assets	No
Australia	Australian Fortescue Future Industries Pty Ltd	Fortescue Future Industries Pty Ltd	Holding company for certain Fortescue Energy assets located in Australia	No
Australia	Net Zero Holdings Pty Ltd	Australian Fortescue Future Industries Pty Ltd	Holder of land interests	No
Australia	Tasmania H2 Pty Ltd	Australian Fortescue Future Industries Pty Ltd	Holder of contracts and assets associated with the Tasmania H2 Project	No
Australia	Gibson Island H2 Pty Ltd	Gibson Island FFI Holdings Pty Ltd	Holder of contracts and assets associated with the Gibson Island Project	No
Australia	Gladstone Fortescue Future Industries Pty Ltd	Australian Fortescue Future Industries Pty Ltd	Holder of contracts and assets associated with the Green Energy Manufacturing Centre	No
Australia	MIH2 Pty Ltd	Fortescue Future Industries Pty Ltd	Holder of technology and intellectual property	No

ADDITIONAL ENTITIES/SUBSIDIARIES WITH OVER \$1 MILLION (AUD) IN PROCUREMENT SPEND				
JURISDICTION	ENTITY	OWNER	NATURE OF ACTIVITIES	EMPLOYING ENTITY
Singapore	PSV Leveque Pte. Ltd.	Fortescue Future Industries Pty Ltd	Incorporated to acquire a vessel for trialling green ammonia conversion	No
USA	MIH2 USA, Inc.	MIH2 Pty Ltd	Holder of Fortescue Energy's USA renewable energy technology investments	No
USA	FFI Ionix, Inc.	MIH2 USA, Inc.	Holder of assets acquired from Xergy, Inc.	No
New Zealand	New Zealand Fortescue Future Industries Limited	Australian Fortescue Future Industries Holdings Pty Ltd	Pursue renewable energy generation opportunities in New Zealand	No
Canada	Canada Fortescue Future Industries Ltd.	Australian Fortescue Future Industries Holdings Pty Ltd	Pursue renewable energy generation opportunities in Canada	No
Norway	Holmaneset H2 AS	Norway Fortescue Future Industries Holdings AS	Proposed green ammonia facility	No
Papua New Guinea	Papua New Guinea Fortescue Future Industries Limited	Australian Fortescue Future Industries Holdings Pty Ltd	Pursue green energy opportunities in PNG	Yes
Peru	Peru Fortescue S.A.C.	50% FMG Resources Pty Ltd 50% FMG Exploration Pty Ltd	Pursue green energy opportunities in Peru	Yes
USA	USA Fortescue Future Industries, Inc.	Fortescue Future Industries Pty Ltd	Goods and services for Fortescue Energy's activities in the USA	Yes
Australia	IRBR Pty Ltd	FMG Personnel Services Pty Ltd	Australian employing entity	Yes
Australia	W Hub Pty Ltd	FMG Personnel Services Pty Ltd	Australian employing entity	Yes
Hong Kong	FMG Hong Kong Shipping Ltd	FMG International Shipping Pte. Ltd.	Owner of shipping vessels	No
USA	FFI USA Investments, Inc.	Fortescue Future Industries Pty Ltd	Holding company for Fortescue's investment in Electric Hydrogen Co.	No
Netherlands	Netherlands Fortescue Future Industries Holdings B.V.	Fortescue Future Industries Pty Ltd	Holding company for certain Fortescue investments	No

DISCLAIMER

This statement 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.

Any forward-looking statements in this statement reflect the expectations held at the date of this statement. 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 statement. 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.

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