



Annual Audit Compliance Report Form

Environmental Protection Act 1986, Part V

Section A – Licence Details			
Licence number:	L8194/2007/3	Licence file number:	2013/001082
Licence holder:	Fortescue Metals Group Ltd		
Trading as:	Fortescue Metals Group Ltd		
ACN:	002 594 872		
Registered address:	Level 2, 87 Adelaide Terrace East Perth 6004 WA		
Reporting period:	01/01/2021 to 31/12/2021		

Section B – Statement of Compliance with Licence Conditions
Did you comply with all of your licence conditions during the reporting period? (please tick the appropriate box)
<input type="checkbox"/> Yes – please complete: <ul style="list-style-type: none">• section C;• section D if required; and• sign the declaration in Section F.
<input checked="" type="checkbox"/> No – please complete: <ul style="list-style-type: none">• section C;• section D if required;• section E; and• sign the declaration at Section F.

Section C – Statement of Actual Production	
Provide the actual production quantity for this reporting period. Supporting documentation is to be attached.	
Prescribed Premises Category	Actual Production Quantity
Category 58 – Bulk material loading or unloading – total volume 210,000,000: <ul style="list-style-type: none">• Iron Ore (hematite ore) - up to 188,000,000 tonnes• Iron Ore (magnetite ore) from the Iron Bridge Concrete Handling Facility - up to 210,000,000	184,604,767 tonnes of hematite iron ore exported
Category 70 – Screening, etc. of materials <ul style="list-style-type: none">• Rail ballast – up to 45,000 tonnes	0 tonnes of rail ballast screened

Section D – Statement of Actual Part 2 Waste Discharge Quantity

Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached.

Prescribed Premises Category	Actual Part 2 Waste Discharge Quantity
Category 85	1,065,179 KL of wastewater was discharged from the desalination plant

Section E – Details of Non-Compliance with Licence Condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	Condition 2	Date(s) of non-compliance:	01/01/2021 – 30/11/2021
Details of non-compliance:			
<p>Condition 2 requires Fortescue to undertake a manual dry sweep at the wharf daily when ship loading occurs, as per the requirements of Schedule 3, Table 15, Row 11. Wharf sweeping was not undertaken at this frequency from 1 January to 30 November 2021.</p>			
What was the actual (or suspected) environmental impact of the non-compliance?			
<p>NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.</p>			
<p>There is no known or suspected environmental impact due to this non-compliance.</p> <p>During the period, there has been no Reportable boundary monitoring event (required under condition 29), which indicates that any increase in dust from the premise, as a result of the non-compliance, would have been minimal.</p>			
Cause (or suspected cause) of non-compliance:			
<p>Procurement of a suitable road sweeper commenced in 2020, with an order placed in November 2020. Following this, the delivery of the unit to Australia did not occur until March 2021, with subsequent mining compliance equipment fitted in Perth. The sweeper was delivered to site in June 2021, with the original equipment manufacturer (OEM) trainer to deliver face to face training on how to operate and maintain the unit.</p> <p>Following changes to State border travel restrictions with Victoria, the only OEM trainer for the company was unable to attend on site. The OEM did not have any provisions for online/remote training methods which Fortescue then requested be developed. This was undertaken and delivery of training to Fortescue personnel was completed in November 2021.</p> <p>The road sweeper commenced daily wharf sweeping on 1 December 2021.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>Whilst Fortescue could not operate the procured road sweeper, a contract with Qube was established for weekly cleaning of the wharf. Additional to this, mechanical cleanup was undertaken to remove build up as required and the use of a water cart dribble bar to minimise dust levels where required.</p>			
Was this non-compliance previously reported to DWER?			
<input type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input type="checkbox"/> Reported to DWER in writing		Date: / /	

Section E – Details of Non-Compliance with Licence Condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	Condition 22	Date(s) of non-compliance:	01/01/2021 – 31/12/2021
Details of non-compliance:			
Condition 22 required Fortescue to ensure that at least 90% of Hematite iron ore in-loaded at the Premises has a moisture content at or above DEM level. During 2021, less than 90% of Hematite iron ore in-loaded was at or above DEM level.			
What was the actual (or suspected) environmental impact of the non-compliance?			
NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.			
There is no known actual or suspected environmental impact due to this non-compliance.			
During the period, there has been no Reportable boundary monitoring event (required under condition 29), which indicates that any increase in dust from the premise, as a result of the non-compliance, would have been minimal.			
Cause (or suspected cause) of non-compliance:			
The above water table mining and dry processing at multiple mining operations within Fortescue has resulted in some ore arriving at Anderson Point MHF below DEM.			
Due to the varied geology at the mine sites, Fortescue received a large number of different iron ore products at the train unloaders throughout 2021. Following the introduction of the West Pilbara products in the second half of 2021, unblended ore products derived from dry processing, has contributed to this non-compliance.			
Calibration for monitoring new products or products that are handled infrequently or in small quantities, has also been challenging due to the complexity of the calibration and the number of different products that need to be monitored.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
Fortescue has undertaken a study to assess a number of different options to improve compliance with in-loaded moisture compliance, with multiple options currently under consideration from the business. Further work is required to determine the most appropriate solution for the Fortescue supply chain to improve moisture compliance.			
Fortescue is currently working with the In-load moisture analyser manufacturer to improve the calibration process and ensure that all products entering the facility are measured.			
Was this non-compliance previously reported to DWER?			
<input type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input type="checkbox"/> Reported to DWER in writing		Date: / /	

Section E – Details of Non-Compliance with Licence Condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	Condition 24	Date(s) of non-compliance:	July – December 2021
Details of non-compliance:			
<p>Condition 24 required Fortescue to ensure that at least 95% of iron ore out-loaded at the Premises has a moisture content at or above DEM level. During the period July to December 2021, less than 95% of iron ore out-loaded was at or above DEM level.</p>			
What was the actual (or suspected) environmental impact of the non-compliance?			
<p>NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.</p>			
<p>There is no known actual or suspected environmental impact due to this non-compliance.</p> <p>During the period, there has been no Reportable boundary monitoring event (required under condition 29), which indicates that any increase in dust from the premise, as a result of the non-compliance, would have been minimal.</p>			
Cause (or suspected cause) of non-compliance:			
<p>The above water table mining and dry processing at multiple mining operations within Fortescue has resulted in some ore arriving at Anderson Point MHF below DEM.</p> <p>Due to the varied geology at the mine sites, Fortescue received a large number of different iron ore products at the train unloaders throughout 2021. Following the introduction of the West Pilbara products in the second half of 2021, unblended ore products derived from dry processing has contributed to this non-compliance.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>Fortescue is working to improve compliance with Condition 22 (outlined above), which will have subsequent improvement to the outload moisture quality.</p>			
Was this non-compliance previously reported to DWER?			
<input type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input type="checkbox"/> Reported to DWER in writing		Date: / /	

Section E – Details of Non-Compliance with Licence Condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	Condition 26	Date(s) of non-compliance:	01/01/2021 – 31/12/2021
Details of non-compliance:			
<p>Condition 26, Table 5, Column 5 requires Fortescue to calibrate moisture analysers located at TUL001, TUL002 and TUL003 at least every six months.</p> <p>Calibration of the analysers was not undertaken at the specified frequency for some hematite iron ore products.</p>			
What was the actual (or suspected) environmental impact of the non-compliance?			
<p>NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.</p> <p>There is no known actual or suspected environmental impact due to this non-compliance.</p> <p>During the period, there has been no Reportable boundary monitoring event (required under condition 29), which indicates that any increase in dust from the premise, as a result of the non-compliance, would have been minimal.</p>			
Cause (or suspected cause) of non-compliance:			
<p>Due to the varied geology at the mine sites, Fortescue received a large number of different iron ore products at the train unloaders throughout 2021.</p> <p>Calibration for new products or products that are handled infrequently or in small quantities, has been challenging due to the complexity of the calibration and the number of different products.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>Fortescue is currently working with the In-load moisture analyser manufacturer to improve the calibration process and ensure that all products entering the facility are measured.</p>			
Was this non-compliance previously reported to DWER?			
<input type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input type="checkbox"/> Reported to DWER in writing		Date: / /	

Section F – Declaration

I/We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular¹. I/We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.

Signature ² :		Signature:	
Name: (printed)		Name: (printed)	
Position:		Position:	
Date:		Date:	
Seal (if signing under seal):			

¹ It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.

² AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.