



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:	01/01/2022 to 31/12/2022		

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 – 210,000,000 tonnes	192,811,414 tonnes of 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
N/A – As per Environmental Protection Regulations 1987 5D(6)(e)	1,113,053 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 1	Date(s) of non-compliance:	24/02/2022 – 24/08/2022
Details of non-compliance:			
<p>Condition 1 requires Fortescue to undertake a manual dry sweep of the wharf at least daily whenever ship loading occurs, as per the requirements of Schedule 3, Table 13, Rows 11 and 19. Wharf sweeping was not undertaken at this frequency from 24 February 2022 to 25 August 2022.</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>There were no reportable boundary dust monitoring events during the reporting period (required under Condition 23), 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>Damage occurred to the road sweeper door in a storm. Due to delays in the delivery of replacement parts and repairs scheduled by third party, the road sweeper was not operational for an extended period.</p> <p>The road sweeper recommenced daily wharf sweeping on 25 August 2022.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>An external contract was established for biweekly (limited due to vendor availability) cleanup of the wharf from 31 May 2022 until 25 August 2022.</p> <p>A backup road sweeper is being sourced to ensure compliance in case of future road sweeper unavailability.</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 1	Date(s) of non-compliance:	25/08/2022
Details of non-compliance:			
<p>Condition 1 requires stormwater to be retained within the sedimentation ponds/silt traps for a sufficient period to allow the majority of suspended particles to settle prior to discharge as per the requirements of Schedule 3, Table 13, Row 13.</p> <p>A ruptured dredge pipeline caused the release of water, fines and grits into the Sedimentation Basin (W1). Subsequently, the Sedimentation Basin overflowed, discharging dredge material into the adjacent South West Creek. This potentially contravenes Condition 1 as the discharge did not relate to stormwater and did not allow for sufficient time for the majority of suspended particles to settle.</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 was no known actual or suspected environmental impact due to non-compliance.</p> <p>An independent specialist was engaged, confirming that there was no environmental impact due to the discharge being contained in an area comprised of tidal creeks and mud flats. These areas are subject to periodic inundation and water containing naturally high suspended particles.</p> <p>Drone footage showed no sedimentation occurred within mangroves.</p>			
Cause (or suspected cause) of non-compliance:			
<p>The cause of rupture of the dredge pipeline was due to a foreign object in the pipe, which created a split while travelling through the pipeline.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>Dredging immediately ceased once the leak was identified to reduce the volume of water discharged.</p> <p>Visual inspections of dredge pipelines and monitoring of pressure gauges are now conducted every 2 hours during dredge operations to ensure any damage to pipelines are identified as soon as possible.</p>			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			

Department of Water and Environmental Regulation

<input type="checkbox"/> Reported to DWER verbally	Date: / /
<input checked="" type="checkbox"/> Reported to DWER in writing	Date: 26 /08 / 2022

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 18	Date(s) of non-compliance:	01/01/2022 – 31/12/2022
Details of non-compliance:			
<p>Condition 18 requires Fortescue to ensure that at least 90% of Hematite iron ore in-loaded at the Premises has a moisture content at or above the DEM level. During 2022, less than 90% of Hematite iron ore in-loaded was at or above DEM level and DEM levels were not available for some 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 or suspected environmental impact due to this non-compliance.</p> <p>During the period, there has been no reportable boundary dust monitoring event (required under condition 23), which indicates that there was no increase in dust from the Premise, and therefore no environmental impact.</p>			
Cause (or suspected cause) of non-compliance:			
<p>Mining from above water table and dry processing at multiple mining operations within Fortescue has resulted in some ore arriving at Anderson Point Material Handling Facility (MHF) below DEM. Due to varied geology at mine sites, Anderson Point MHF received a large number of different iron ore products at the train unloaders throughout 2022. Some of these products are produced infrequently, which represents challenges in getting representative composite samples for DEM testing.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>Fortescue has undertaken a study to assess a number of different options to improve compliance with in-loaded moisture, with ore conditioning trials ongoing at Eliwana Mine Site and Firetail to improve in-load product moisture for the driest products.</p> <p>Further work is underway to optimise these trials in relation to nozzle and spray reliability.</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 20	Date(s) of non-compliance:	01/01/2022 – 31/12/2022
Details of non-compliance:			
Condition 20 requires 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 2022, less than 95% of iron ore out-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 or suspected environmental impact due to this non-compliance.			
During the period, there has been no reportable boundary dust monitoring event (required under Condition 23), 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:			
Mining from above water table and dry processing at multiple mining operations within Fortescue has resulted in some ore arriving at Anderson point MHF below DEM. Unblended ore products derived from dry processing also contributed to this non-compliance.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
Fortescue is working to improve compliance with Condition 18 (inload moisture) with the trials of ore conditioning sprays at Eliwana and Firetail. This will result in improving the outload moisture percentage. Additionally, the installation of Bulk Ore Conditioning Sprays at the Port has been completed in accordance with Table 1, Condition 5 of the licence. This is likely to prevent a recurrence.			
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 21	Date(s) of non-compliance:	01/01/2022 – 28/02/2022 & 31/08/2022 – 20/09/2022
Details of non-compliance:			
<p>Condition 21 requires Fortescue to calibrate moisture analysers located at TUL001, TUL002 and TUL003 at least every six months, as per the requirements of Table 3, Column 5.</p> <p>Calibration of the analysers was not undertaken for some hematite iron ore products and one moisture analyser was not calibrated at the minimum six-month frequency.</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>There were no reportable boundary dust monitoring events during the reporting period (required under Condition 23), 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, Anderson Point MHF received a large number of different iron ore products at the train unloaders through 2022. Some of these products are produced infrequently which represents challenges in getting representative samples for testing.</p> <p>Calibration for new products or products that are handled infrequently or in small amounts, has been challenging due to the complexity of the calibration and the number of different products and time taken to collect a representative composite sample to dispatch to the laboratory.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>The internal planning tool allows for calibration to be undertaken every four months to allow for potential delays.</p> <p>Moisture analyser stock levels have been increased from 2 to 3 units to ensure calibrations can be undertaken within the required timeframe and for all iron ore products.</p> <p>A review of processes and procedures within the Integrated Planning team has been undertaken to allow for samples to be collected and dispatched to the laboratory for relevant calibrations to prevent a recurrence.</p> <p>Additionally, moisture determination is also undertaken at the mine site train load out facilities to Australian Standards prior to arriving at the premises.</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 30	Date(s) of non-compliance:	31/10/2022
Details of non-compliance:			
Condition 30 requires Fortescue to submit the dust deposition data specified in Table 6 on a quarterly basis by the last day of the following month. The results of the Crystalline and Mineralogical (XRD) analyses for the dust deposition monitoring conducted in July were not included in the October submission.			
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.			
Cause (or suspected cause) of non-compliance:			
During analysis of the July samples, the laboratory was unable to complete the Mineral Phase (XRD analysis) for the samples. Due to an error in laboratory preparation of the samples, the final ash content of the samples was completely digested for metals analysis and an aliquot was not available to be analysed for mineralogy. Due to the nature of the samples being representative of a set time frame re-sampling was not possible.			
The laboratory had recently transitioned to a new reporting database where the workflow did not detail the additional custom sample processing requirements for XRD analysis.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
The laboratory has updated the physical worksheet for the laboratory team, and the database workflow detailing the custom analysis requirements for the XRD analysis. Subsequent samples have been correctly processed.			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input checked="" type="checkbox"/> Reported to DWER in writing		Date: 31/ 10/ 2022	

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 32	Date(s) of non-compliance:	31/07/2022
Details of non-compliance:			
Condition 32 requires Fortescue to ensure discharged wash water does not exceed the total recoverable hydrocarbons (TRH) limit of 15 mg/L as specified in Table 7, Column 4. A discharge of wash water occurred on 31 July 2022 at L2, where results indicate that TRH levels were 25.26 mg/L.			
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.			
The potential impact to the environment due to this non-compliance is low given the lack of sensitive environmental receptors in the area. Visual inspections of the area found that there was no impact.			
Cause (or suspected cause) of non-compliance:			
Due to scheduled maintenance works within the vicinity a short-term loss of power to the oily water separator resulted in the water bypassing the oil water separator and discharging of untreated wash water via the stormwater pumps.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
A bypass switch to the oily water separator (OWS) has been installed to allow for alternative power (i.e. backup generator) to be supplied to the OWS, which will prevent a future occurrence.			
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:	15/03/2023	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.