

## Global Taxation Policy

### Our commitment

Fortescue Ltd (**Fortescue** or **the Company**) strives to create and deliver value for its shareholders and the broader community. The Company is committed to contributing to the economies of the countries in which it operates and ensuring communities benefit from the growth and development of its businesses. The Company is also committed to full and timely compliance with the applicable requirements of the prevailing tax laws of all jurisdictions in which it operates, seeking outcomes consistent with the policy intent of those laws.

Fortescue maintains a low appetite for tax risk and is committed to responsible tax practices aligned with commercial substance, transparency, and long-term sustainability.

### Our strategy

Fortescue will achieve this by:

- Ensuring implementation of the Company's Global Tax Corporate Governance Framework;
- Complying with all applicable tax laws and regulations of each country in which it operates including duly reporting and paying all necessary taxes in a timely manner;
- Managing tax risks through constructing appropriate mechanisms to assess both short and long term tax impacts when making major commercial decisions;
- Developing mutually transparent, cooperative and respectful relationships with tax authorities in the countries it operates in, and communicating with those authorities on tax matters where appropriate;
- Seeking and claiming tax incentives offered by government authorities in a transparent manner, consistent with statutory and regulatory frameworks, and ensuring such claims are supported by appropriate documentation, ongoing monitoring of eligibility conditions, and periodic reassessment of reporting obligations;



- Ensuring public disclosures are transparent, timely, accurate and meet stakeholder expectations, including disclosure of material tax information in accordance with applicable law, relevant reporting frameworks, and Fortescue's sustainability reporting approach;
- Publishing country-by-country tax reporting in accordance with applicable tax authority requirements and, where included in Fortescue's sustainability reporting, aligning such disclosures with the relevant principles and disclosures of GRI 207 as adopted by Fortescue;
- Providing clear explanations of the Company's effective tax rate, key drivers of tax outcomes, and material differences between accounting profit and taxable income where appropriate, including in public reporting where Fortescue considers this necessary to support stakeholder understanding;
- Applying transfer pricing practices across the Fortescue Group in a manner consistent with the arm's length principle, the economic substance of underlying activities and the functional profile of the transacting parties, as supported by contemporaneous transfer pricing documentation, and not undertaking 'profit shifting' activities;
- Entering into transactions on the basis of commercial merit, not for the purpose of securing tax outcomes inconsistent with a reasonable interpretation of the relevant tax rules;
- Not entering into artificial or contrived arrangements, including establishing or retaining entities, structures or arrangements in opaque or low-transparency jurisdictions, that are not supported by genuine commercial substance and rationale; and
- Paying tax on profits according to where value is created within the normal course of commercial activity, consistent with applicable law and internationally accepted transfer pricing principles.

## **Fortescue's attitude to tax risk**

Fortescue accepts a low level of risk in relation to major transactions and tax compliance activities, undertaking to file only verified and appropriately supported tax positions. The Company defines a low tax risk appetite as avoiding positions that are uncertain, aggressive, or inconsistent with the intent of applicable tax laws.

We have clear procedures in relation to tax risk management and carry out appropriate risk assessments before entering into any significant transactions. Material or uncertain tax



positions, including significant cross-border transactions, restructures, financing arrangements, transfer pricing changes, and claims for material tax incentives, must be assessed and approved in accordance with the Global Tax Corporate Governance Framework. Defined escalation thresholds and approval requirements apply to ensure appropriate oversight by senior management and, where required, the Board or its Committees.

Where the application of tax legislation is unclear, Fortescue seeks external tax advice and may consult with the relevant taxation authority, including through available advance engagement, ruling or cooperative compliance mechanisms where appropriate, to achieve an appropriate level of certainty.

## Governance and Responsibilities

Fortescue's Board of Directors is responsible for ensuring that a robust system of internal controls is in place for tax governance purposes. The Audit, Finance and Risk Management Committee (**the Committee**) assists the Board in its oversight of the internal control framework and tax risk management and compliance through:

- Obtaining assurance as to the operational effectiveness of the Company's formal Global Tax Corporate Governance Framework;
- Monitoring the appropriateness of critical tax policies and judgements applied in the preparation of financial reports and compliance obligations;
- Reviewing the implications of expected changes in prevailing and applicable tax laws to the Company's operating business and structure, including significant global developments such as minimum tax regimes;
- Gaining comfort that the thresholds and timing for escalation of tax risks to the Committee and Board are set at an appropriate level;
- Monitoring the Company's tax profile, including its effective tax rate and the basis for any significant deviation from the prevailing corporate tax rate; and
- Performing an annual review and update of the Company's formal Global Tax Corporate Governance Framework based on reasonable recommendations made by a relevant tax authority, Company management or the Committee.

Management is responsible for the day-to-day operation of tax governance, including implementation of controls, compliance with this Policy, and timely escalation of tax risks.



The Chief Financial Officer and Group Manager Tax are accountable for ensuring adherence to this Policy.

The Committee will report to the Board on Committee activities at each Board meeting and, at least annually, reports will include assessments of the strength of the internal control framework and performance of management in addressing material business risks.

## **Tax Transparency and Engagement**

Fortescue is committed to maintaining open, transparent and cooperative relationships with tax authorities. The Company will engage in good faith with tax authorities and address information requests, comments and views in a timely and constructive manner.

Public disclosures relating to tax will be prepared with a view to enhancing stakeholder understanding of the Company's tax contributions, approach to tax risk management, and material drivers of tax outcomes, including through sustainability reporting where appropriate.

Public tax disclosures will be prepared in a manner that is clear, balanced and consistent with applicable legal requirements and relevant reporting frameworks.

## **Policy Review and Continuous Improvement**

This Policy will be formally reviewed at least annually, and earlier where there are material changes in business operations, significant developments in tax law or regulation, or relevant feedback from regulators or auditors.



## Tax Governance Framework

