



Fortescue exodus blamed on culture

The Australian

March 12, 2024 Tuesday

Australian Edition

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Section: BUSINESS; Pg. 16

Length: 493 words

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Body

An exodus of senior staff from **Fortescue** was due to a cultural misalignment and not an indication of underlying woes, two of the company's most senior executives say, insisting that the upheaval has now settled.

Fortescue has in recent years significantly stepped up its investment in renewable projects to cash in on the global transition to green energy.

However, this has led to an exodus of high-level management and raised investor concerns about the capacity of the company to execute its high-stakes pivot to green energy from its iron ore foundations, which made its founder one of Australia's richest men.

Notable hires such as former NT chief minister Michael Gunner and deputy RBA governor Guy Debelle have left Andrew Forrest's company in recent months.

However **Fortescue** Energy chief executive Mark Hutchinson and **Fortescue** Metals head Dino Otranto said the exodus was indicative of the company's unique culture and a desire of some to change an organisation that did not need changing.

"**Fortescue** is unique and some people come in and think they can fix it, that it needs to be run differently, but we don't need to be fixed," said Mr Hutchinson.

"We've got to change and evolve. I think things will settle down." The comments came just weeks after Dr Forrest rejected suggestions the company has faced upheaval and the green agenda has been a catalyst for the exits.

"We employ 22,000 people. When you go from a fossil fuel-burning company to a green energy company, you're going to lose people who say, 'what are you doing? You've got this fantastic economic model. You have the most successful company shareholder returns in decades in our company. Why are you fiddling around with it?' " said Dr Forrest.

Mr Otranto acknowledged the commitment to renewable energy had been a concern to many within the organisation.

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"Eighteen months ago when we announced the pivot into green energy, we were a bit anxious, to be honest," said Mr Otranto.

Fortescue is aiming to capitalise on demand for zero-emission energy sources, but there is broad concern about the capacity of many countries to meet emissions targets as new renewable energy generation projects take longer than expected to materialise. The sluggish transition has fuelled fierce debate about the possibility of nuclear energy.

It is currently banned in Australia, but the Coalition has proposed using small modular nuclear reactors to replace coal-fired power.

The Coalition insists nuclear power is the only viable means to achieve Australia's 2050 net zero emission targets, but federal Energy Minister Chris Bowen insists independent evidence shows the fuel source remains prohibitively expensive.

Dr Forrest has rejected the nuclear plan, insisting it amounts to "dividing us with the false hope that we can cling to fossil fuels forever". Echoing his boss, Mr Hutchinson said nuclear power was "not the answer", and Australia should instead focus on plentiful opportunities in renewable energy.

Load-Date: March 11, 2024

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