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ASX Release

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The Companies Officer
Australian Securities Exchange Ltd
Level 40, Central Park
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Dear Madam or Sir

FORTESCUE ANNOUNCES TARGET TO ACHIEVE NET ZERO SCOPE 3 EMISSIONS

- **Green hydrogen supplied by Fortescue Future Industries (FFI) the key enabler**

Fortescue Metals Group Ltd (Fortescue, ASX: FMG) has today announced an industry leading target to achieve net zero Scope 3 emissions by 2040, addressing emissions across Fortescue's entire global value chain, including crude steel manufacturing which accounts for 98 per cent of the Company's Scope 3 emissions.

Fortescue's approach to reducing Scope 3 emissions is to develop projects and technologies with a focus on reducing emissions from iron and steel making and to work with current and prospective customers on the application of the technology and the supply of green hydrogen and ammonia from FFI. Fortescue will also prioritise the decarbonisation of its own fleet of eight ore carriers and engage with shipping partners to reduce, and aiming to eliminate, emissions from shipping.

FFI is targeting the production of 15 million tonnes of green hydrogen annually by 2030, which will underpin opportunities to work with customers and shipping partners on emissions reduction and elimination projects.

In addition to the long-term goal to achieve net zero Scope 3 emissions by 2040, the following medium-term targets have been set:

- Enable a reduction in emissions intensity levels from the shipping of Fortescue's ores by 50 per cent by 2030 from FY21 levels
- Enable a reduction in emissions intensity levels from steel making by Fortescue's customers of 7.5 per cent by 2030 from FY21 levels, to 100 per cent by 2040.

Fortescue Chief Executive Officer, Ms Elizabeth Gaines, said, "Climate change is the most pressing issue of our generation and at Fortescue, setting stretch targets is at the core of our culture and Values and we are proud to set this goal to tackle emissions across our value chain.

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"Fortescue has commenced its transition from a pure play iron ore producer to a green renewables and resources company, underpinned by the world's first major carbon emission heavy industry operation to set a target to achieve carbon neutrality by 2030. This Scope 3 target is consistent with this transition and complements our targets for Scope 1 and 2 emissions reduction.

"Collaboration is integral to driving the rapid transition to green energy, and we remain committed to actively engaging with our customers, suppliers and other key industry participants to facilitate the reduction of emissions. This includes the development of technologies and the supply of green hydrogen and ammonia through FFI, which will provide significant opportunities for the steel, cement and land and sea transport industries to decarbonise," Ms Gaines said.

To achieve the target, Fortescue and FFI are focused on accelerating a number of key initiatives:

- Conversion of existing maritime vessels, including Fortescue's fleet of ore carriers, to be fuelled by green ammonia
- Supporting the adoption of green ammonia in new vessel construction
- Pursuing opportunities for emissions reduction and elimination in iron and steel making, facilitated by the use of renewable energy and green hydrogen
- Research and development work to produce green iron and cement from Fortescue ores at low temperatures without coal.

FFI Chief Executive Officer, Ms Julie Shuttleworth, said, "Our investments in technologies and research and development are focused on demonstrating that the production of iron ore, cement, iron and steel can operate with renewable energy.

"Our work to decarbonise Fortescue's iron ore operations will position Fortescue as the first major supplier of green iron ore in the world, paving the way for production of green iron and a new green steel industry," Ms Shuttleworth said.

Yours sincerely
Fortescue Metals Group Ltd

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