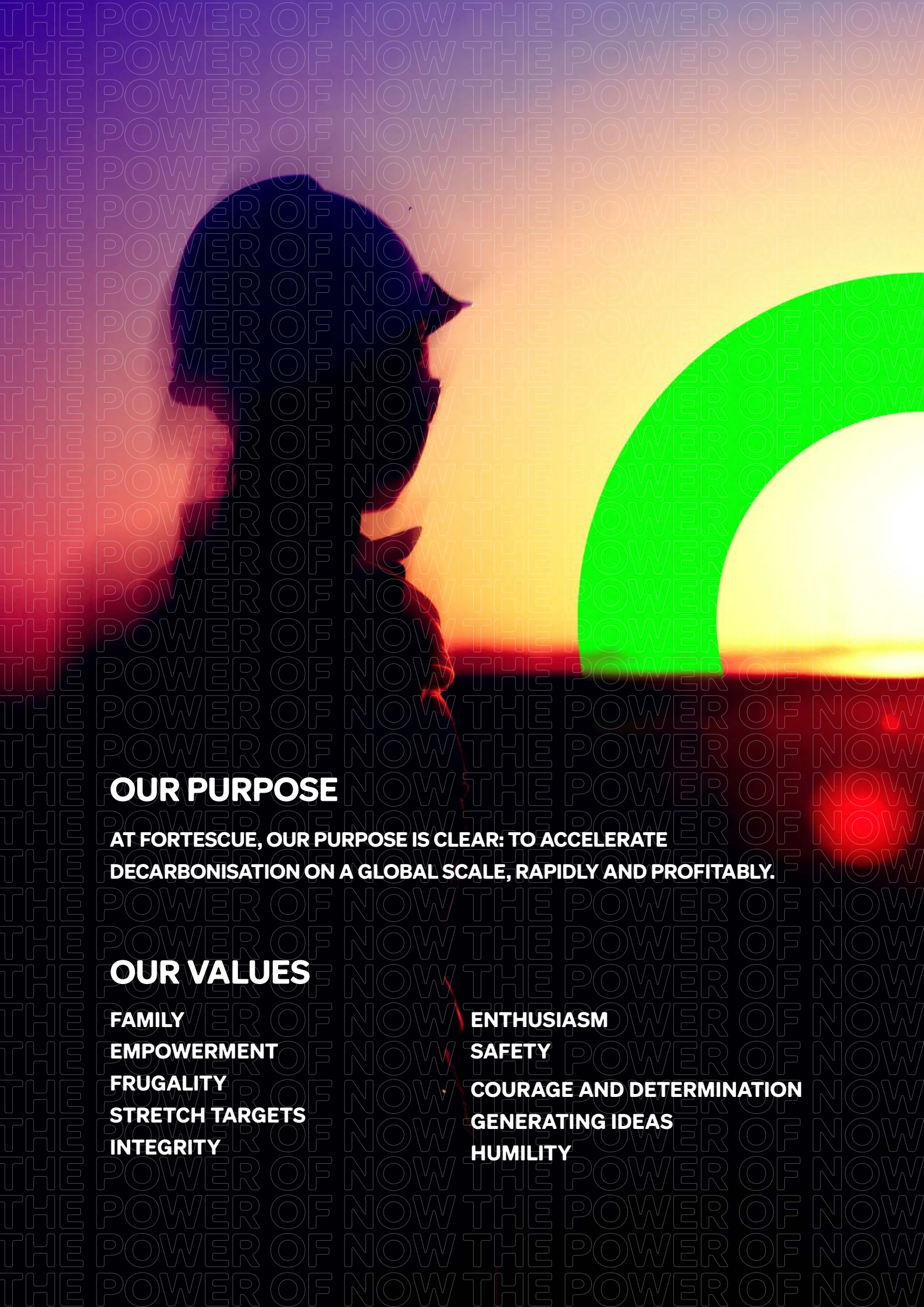




Fortescue™



CLIMATE TRANSITION PLAN 2026



OUR PURPOSE

**AT FORTESCUE, OUR PURPOSE IS CLEAR: TO ACCELERATE
DECARBONISATION ON A GLOBAL SCALE, RAPIDLY AND PROFITABLY.**

OUR VALUES

FAMILY

EMPOWERMENT

FRUGALITY

STRETCH TARGETS

INTEGRITY

ENTHUSIASM

SAFETY

COURAGE AND DETERMINATION

GENERATING IDEAS

HUMILITY



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FORTESCUE IS A MINING, TECHNOLOGY, INFRASTRUCTURE AND ENERGY COMPANY WITH A CLEAR PURPOSE: TO ACCELERATE DECARBONISATION ON A GLOBAL SCALE, RAPIDLY AND PROFITABLY.

We are demonstrating that industrial decarbonisation can strengthen productivity, improve energy security and deliver long-term value while eliminating fossil fuels.

Founded in 2003, Fortescue has grown into the world's fourth largest iron ore producer. Today, our integrated Pilbara operations export more than 200 million tonnes of iron ore annually, supported by approximately 16,000 people and connected by 760km of rail to Port Hedland.

Our business has been built through disciplined capital allocation, operational excellence and a relentless focus on safety, productivity and innovation. These foundations continue to support strong financial performance.

Central to our strategy is one of the world's largest industrial decarbonisation programs. We are investing US\$6.2 billion to eliminate fossil fuels from our Australian terrestrial iron ore operations through the deployment of large-scale renewable energy, battery storage, transmission infrastructure, electrified mining equipment and intelligent energy systems.

In the Pilbara, we are building one of the world's largest integrated off-grid renewable energy networks to power our operations with reliable, dispatchable, renewable energy while reducing operating costs and strengthening long-term energy resilience.

Beyond decarbonising our own operations, we are developing the technologies needed to accelerate decarbonisation across heavy industry.

Through Fortescue Zero, we are investing in advanced power systems, battery technologies, automation and industrial electrification to solve complex engineering challenges within our own operations and create commercially scalable solutions for customers globally.

We are also advancing Green Metal technologies and investing in critical minerals that will support the global energy transition.

Our growth strategy is underpinned by disciplined investment and a long-term approach to value creation.

We continue to expand our portfolio across metals, energy and technology in Australia, Africa, Europe and Latin America, prioritising opportunities that are commercially robust and aligned with our purpose.

Beyond our operations, we are committed to creating lasting social and economic value.

Through training, employment and business development initiatives, we invest in building local capability, strengthening Indigenous participation and supporting thriving regional communities.

Since 2011, our Billion Opportunities program has awarded more than A\$7.6 billion in contracts to Aboriginal businesses, reflecting our commitment to ensuring the benefits of our growth are shared more broadly.



FOREWORD



Climate transition plans are increasingly a regular feature of corporate reporting. At their best they help firms and their management to systematically think through how climate change and the energy transition can be fully integrated into corporate strategy, and set out exactly how the company does so, what the key dependencies are, and the governance and accountability mechanisms in place to ensure delivery.

Jurisdictions applying the ISSB standards now treat transition information as core disclosure, the Transition Plan Taskforce disclosure framework has become the gold standard for transition planning, and the live question in many G20 jurisdictions is no longer whether large companies should publish transition plans, but on what terms.

Transition plans began as instruments of climate accountability: high integrity targets set out with progress reported, enabling credibility. The developments of the past few years have aligned them much more closely with core business strategy. The Iran conflict precipitated the second energy crisis in five years, which, combined with the unprecedented deployment of AI and its insatiable demand for power, has brought energy security back to the centre of economic and financial decisions. The cheapest and most secure units of energy are increasingly generated from renewable sources rather than from imported fossil fuels. Renewables and storage costs have fallen faster than many ambitious forecasts anticipated, as have the costs of the electrified fleets of vehicles and machinery they power.

Capital markets, meanwhile, are learning to distinguish between companies that treat the transition as a compliance exercise and companies that treat it as a source of competitive advantage. That distinction is starting to show in the cost of capital. New research from the International Transition Plan Network finds that companies with more complete transition plans have paid measurably less to borrow, and that investors reward delivery of plans. A wider body of work is emerging that links credible transition plans to cheaper capital. The evidence is early and the causal questions are not yet settled, but it will build. A transition plan is now where a company shows how it will secure its energy, control its costs and stay competitive. It is an instrument for unlocking value and building resilience.

As transition planning converges with corporate strategy, plans are judged the way any business plan is judged: by whether they lower costs, open markets and reduce exposure to shocks a company cannot control, among them volatile fuel prices, tightening policy and a changing climate. The companies that genuinely plan for these factors will prove more resilient, and more valuable, than the companies that merely report on them.

Companies cannot offset their way to energy security or decarbonisation. Unlocking value, and becoming more competitive and more resilient, means actually deploying different technologies and eliminating emissions at source. That is what Fortescue's Real Zero Target recognises: the elimination of Scope 1 and 2 emissions from its Australian terrestrial iron ore operations by the end of 2030, at source and without voluntary carbon offsets. Emissions that are never produced need no offsetting, carry no exposure to future carbon prices, and depend on nobody else's integrity.

Tackling Scope 3 emissions is perhaps the hardest part, for Fortescue and for the mining sector more generally. Most of the emissions in an iron ore value chain arise when the ore is turned into steel and when it is shipped. No miner has complete control of these directly. Decarbonising steelmaking and shipping requires technologies that are not yet commercial at scale, and the efforts now under way to develop and deploy them, including by Fortescue, deserve support. That is where the largest reductions will come from, and delivering them will take steelmakers, shippers, energy suppliers and governments moving together and at pace. This transition plan sets out clearly how that work can be accelerated.

This plan appears two months before COP31 convenes in Antalya with Australia presiding over the negotiations, at a moment when the World Meteorological Organization reports that the past three years have been the warmest on record, averaging about 1.5°C above pre-industrial levels. Decarbonisation at industrial scale is a matter of energy security, cost, and competitiveness, as well as climate. Transition plans are how that case gets made in practice, company by company, with evidenced delivery and learning by doing. This is the third climate transition plan I have been asked to externally peer review for Fortescue, and it ups the ante for corporate transition planning in the mining sector and more widely.

Dr Ben Caldecott, Founding Director, Oxford Sustainable Finance Group, University of Oxford; Chair, Advisory Group, International Transition Plan Network.

OPENING STATEMENT

THE POWER OF NOW

History gives eras their names only after machinery has reordered the world. The Age of Sail, the Age of Steam and the Information Age each began with a source of power or capability, but their significance lay in the industries they created and the influence they redistributed. Those who understood the change early built the infrastructure of the next economy; those who moved late inherited a world designed elsewhere.



The defining contest of this era will be the race to secure abundant, reliable and affordable energy.

Advanced manufacturing, critical minerals, transport networks and modern industry all depend upon energy systems of extraordinary scale and resilience. Conflict and geopolitical rivalry have exposed the fragility of global fuel markets and the strategic risks faced by nations and businesses dependent upon supply chains beyond their control.

Those able to secure abundant energy, modern infrastructure and industrial capability will attract the investment that defines the next generation of economic growth, including in artificial intelligence. They will strengthen their economies and shape the emerging era, while those that remain dependent will increasingly have their prosperity determined by decisions made elsewhere.

This is why transition plans remain vital.

A credible transition plan explains how a new energy system will be built. It connects long-term ambition with capital allocation, engineering, procurement, workforce capability and operational sequencing. It shows how generation, transmission, storage, electrified equipment and digital control will develop together, and how decisions made today will create the infrastructure required tomorrow.

Energy systems are networks of interdependence. An electric haul truck requires charging infrastructure, which depends upon transmission, storage and reliable generation designed around industrial demand. A transition plan makes these dependencies visible and orders them, allowing capital to be directed towards a coherent system rather than dispersed across disconnected projects.

This has guided Fortescue since adopting its Real Zero Target in 2022.

Our Real Zero Target is our commitment to eliminate emissions from our Australian iron ore operations by transforming the technologies and energy systems through which they operate. Replacing volatile fossil fuels with

renewable power, storage and electrification can give Fortescue greater control over energy supply, lower operating costs and strengthen business resilience.

The work is practical and immense. Solar and wind generation must be built across the Pilbara, transmission must connect it over great distances and batteries must store and dispatch energy according to the requirements of a complex mining system.

Heavy equipment must be redesigned and electrified, charging infrastructure must operate at industrial scale and software must coordinate generation, storage, haulage, processing and rail without compromising productivity.

Since publishing our first Plan in 2023, the direction has remained clear while the pathway has been refined through implementation. Technologies have matured, assumptions have been tested and investment decisions have become more precise. Some solutions have advanced quickly, while others have required further development as we transform a major operating system while meeting customer and market commitments.

The world surrounding the Plan has changed. Political support for decarbonisation has weakened in several markets and many companies have grown quieter. Yet the strategic case for transforming energy systems has strengthened as artificial intelligence increases electricity demand, governments compete for industrial capability, and conflict demonstrates the cost of dependence upon imported fuels.

Fortescue believes that energy abundance can be created through renewable generation deployed at scale and integrated with storage, transmission, electrification and intelligent management.

Fortescue is building an integrated energy system designed to power our iron ore operations and progressively eliminate their dependence upon fossil fuels. Its components are being planned as a common architecture, because the value of each asset depends upon

the performance of the whole. The same architecture offers a model for green iron, advanced manufacturing and computing infrastructure.

Our renewable energy and electrification program is expected to reduce C1 costs by between US\$2 and US\$4 per wet metric tonne while eliminating the use of almost one billion litres of diesel-equivalent each year. These outcomes would improve control over our cost base, reduce exposure to fuel shocks and demonstrate that eliminating emissions can strengthen industrial capability.

This fourth Climate Transition Plan records how Fortescue intends to allocate the capital, technology and organisational capacity required to deliver that transformation. It sets out the progress made, the lessons learned and the work still required, while showing how our energy infrastructure, equipment and operating systems will develop together.

Transition plans deserve to remain central to the way markets, governments and institutions assess industrial ambition. In an era requiring energy infrastructure to be built at exceptional speed and scale, they provide the discipline for testing whether commitments are supported by engineering, investment and executable decisions.

History will eventually decide what to call the era now emerging. Whatever name survives, its foundations will be made from energy, materials, technology, capital and human ingenuity.

**FORTESCUE IS
BUILDING THOSE
FOUNDATIONS NOW.
THIS PLAN SETS
OUT HOW.**

HOW TO READ THIS PLAN

This Climate Transition Plan is Fortescue's voluntary companion to the Sustainability Report: Climate Statements included in our FY26 Annual Report.

The Climate Statements have been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures, and the climate statement requirements of the Corporations Act 2001. They contain Fortescue's mandatory climate-related disclosures, including greenhouse gas emissions, targets, climate-related risks and opportunities, anticipated financial effects, scenario analysis and governance.

This plan builds on those disclosures. It explains how we are implementing our strategy, the progress we have made, the lessons we have learned and the actions required from governments, industry and technology partners to accelerate delivery. Targets and quantitative information are consistent with the Climate Statements.

The plan is based on the disclosure framework of the Transition Plan Taskforce (TPT) and structured around three topics. A content map in the Back Matter section shows where each TPT disclosure element is addressed in this plan.

MILESTONES TO THE DECARBONISED MINESITE

KEY ACHIEVEMENTS:

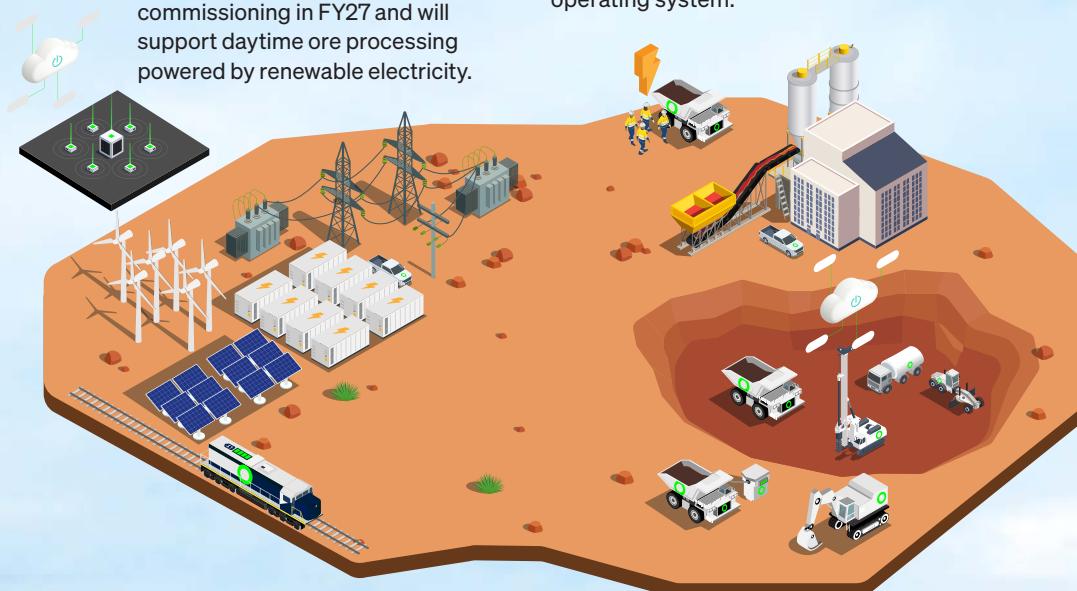
SINCE PUBLISHING OUR PREVIOUS CLIMATE TRANSITION PLAN IN SEPTEMBER 2025, FORTESCUE HAS MADE SUBSTANTIAL PROGRESS IN BUILDING AND INTEGRATING THE RENEWABLE ENERGY INFRASTRUCTURE AND ELECTRIFIED EQUIPMENT REQUIRED TO DELIVER REAL ZERO, INCLUDING:

- In FY26, the North Star Junction Solar Farm generated 236 gigawatt-hours (GWh) of renewable electricity, avoiding an estimated 0.116 MtCO₂-e that would otherwise have been emitted by the Solomon gas power station.
- In FY26, Eliwana was connected to Fortescue's power grid, reducing emissions by displacing on-site diesel generation with grid power. As solar, wind and battery storage are added, the emissions intensity of the grid will continue to decline. This reduced diesel consumption at Eliwana for power generation by 10 million litres compared to FY25. Fortescue also deployed 18 electric excavators powered by electricity rather than diesel.
- The 190 megawatt (MW) Cloudbreak Solar Farm is progressing towards commissioning in FY27 and will support daytime ore processing powered by renewable electricity.
- Construction has commenced on the 690MW Turner River Solar Farm, the final solar development required under Fortescue's current Real Zero pathway.
- Development is progressing on the 440MW Solomon Airport Solar Hub.
- The first turbine components have arrived for the 133MW Nullagine Wind Project.
- Two battery electric locomotives, each equipped with a 14.5 megawatt-hour (MWh) battery, are being commissioned.
- Electric excavators and drills are operating across Fortescue sites.
- Renewable generation, storage, transmission and electrified mining equipment are being integrated into a single operating system.

This progress is being delivered in an operating environment defined by rising global emissions, accelerating electricity demand and increasing geopolitical volatility.

For Fortescue, these pressures reinforce the commercial value of reducing dependence on diesel and gas by improving control over energy supply, limiting exposure to fuel shocks and strengthening the resilience of our cost base.

This Plan therefore focuses on unlocking value through decarbonisation, building business resilience and identifying the policy, financing and partnerships required to accelerate the next phase of delivery.



FY27

- Deployment of first battery-electric haul trucks.
- First wind turbine installed.
- Large direct current (DC) fast charger proven in operations.
- Onsite testing of the battery electric water cart, loader, wheel dozer and grader prototypes and cable electric drill prototype.
- 290MW renewable capacity: Cloudbreak solar farm and Battery Energy Storage System (BESS) commissioned enabling first daytime ore processing (fixed plant) on renewables.

FY28

- 24-hour fossil fuel-free grid operating periods: The system is expected to be capable of powering operations for full-day periods without fossil fuels, earlier than previously planned.

FY31

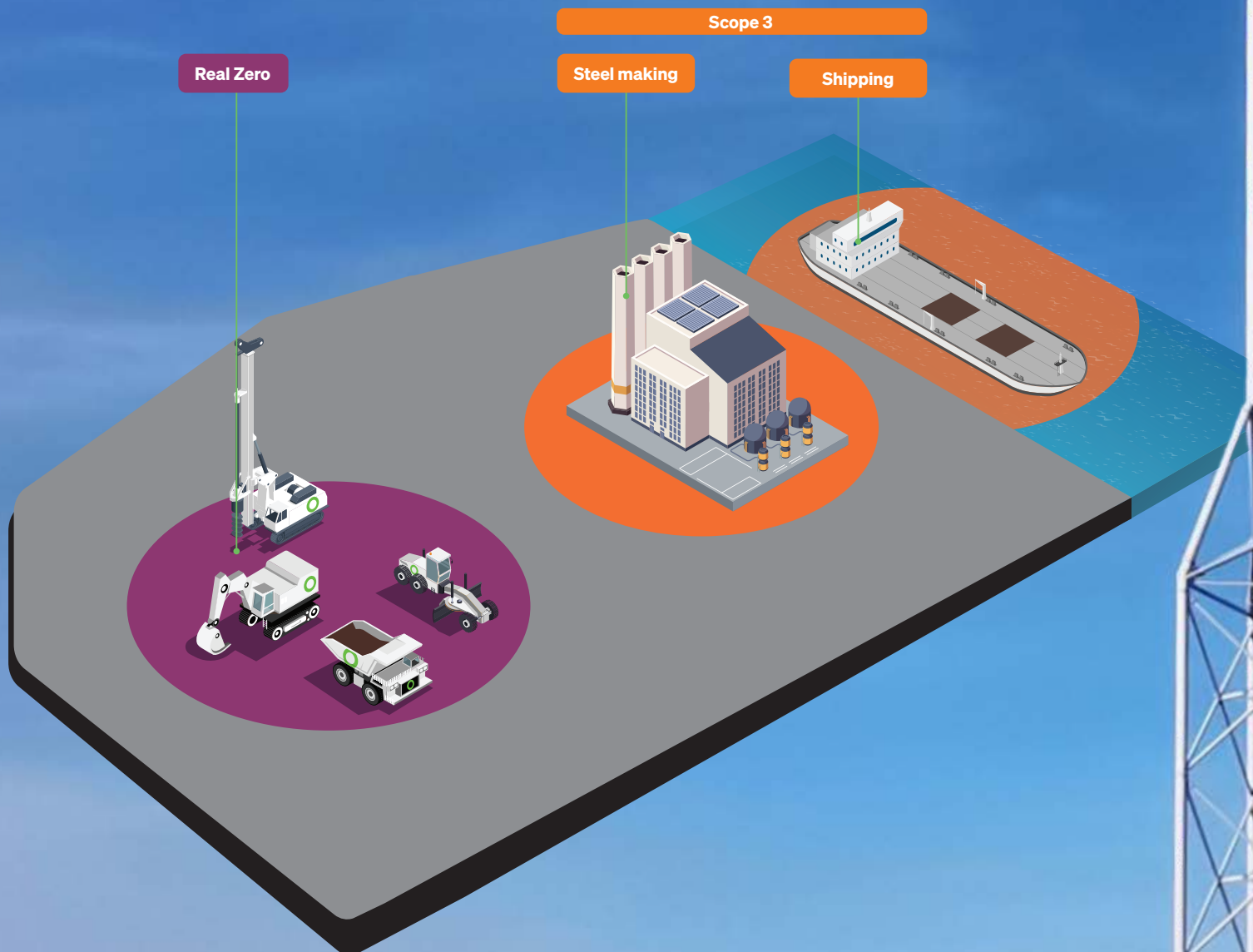
- All electrified mobile equipment proven in Pilbara operations (800 mining equipment assets transitioned to electric).

UNLOCK VALUE THROUGH DECARBONISATION

EMISSIONS PROFILE

Fortescue is unlocking value through decarbonisation by applying the scale and capability of our integrated Pilbara iron ore operations to profitably eliminate emissions. Our investment in renewable energy, transmission, battery storage, electrified equipment and redesigned mining systems aims not only to reduce emissions, but also to strengthen energy security, lower long-term operating costs and position Fortescue to compete in a changing global economy. By deploying these technologies at industrial scale, we are also building capabilities and products that can support decarbonisation across mining, steelmaking and other hard-to-abate sectors.

Four targets one emissions footprint



SCOPE 1 AND 2

SCOPE 3

3.13 MtCO₂-e
Group Scope 1 and 2

2.27 MtCO₂-e
Purchased goods and services
(Scope 3, Category 1)

3.43 MtCO₂-e
Third party shipping of our ore (Scope
3, Category 4 and 9, shipping only)

268.64 MtCO₂-e
Processing of iron ore by our customers (Scope 3, Category 10)

Metrics are presented on a rounded basis

Targets

Fortescue's emissions reduction targets are designed to drive meaningful progress towards our strategic ambition of accelerating global decarbonisation rapidly and profitably.

These targets include absolute emissions reductions within our Scope 1 and 2 emissions, as well as emissions intensity targets for steelmaking (in our Scope 3) and shipping (in our Scope 1 and 3). Collectively, these goals reflect our commitment to reducing emissions across our value chain while enabling decarbonisation within industries that rely on our products.

Fortescue's emissions reduction targets were established in 2022 amid strong global momentum for the energy transition. Since then, geopolitical uncertainty, trade fragmentation and reduced economic stimulus in some markets have slowed deployment and commercialisation. At the same time, advances in renewable energy, battery storage, electrified heavy mobile equipment and other technologies are accelerating and continue to broaden the solutions available to progress the transition. Fortescue is navigating this increasingly uneven environment by holding to its strategic direction while adjusting the pace and sequencing of delivery as market, policy and technology conditions evolve.

SCOPE 1 AND 2 EMISSIONS

Fortescue is committed to profitably achieving our Real Zero Target by 2030.

We are implementing the key technologies, infrastructure and operational changes to reach this target, while maintaining mine productivity and meeting our market guidance. Our focus is now on scaling these solutions and developing commercially viable pathways for remaining sources of emissions.

As delivery of our Pilbara Decarbonisation Program accelerates to progress towards our Real Zero Target, Scope 1 and Scope 2 emissions are expected to begin declining from FY28 based on current plans and assumptions. The temporary increase before then is primarily driven by three factors: increased ore shipped, increased gas consumption to meet growing power demand as Iron Bridge ramps up production and increased total material movement required to meet current mine plans.

Like all businesses, delivery of Fortescue's voluntary emissions reduction targets is influenced by a range of technical, regulatory and supply-chain factors. Achieving profitable pathways also requires that we continue to work closely with government to remove disincentives to decarbonisation and support stronger emissions reduction outcomes.

In this context, profitable decarbonisation means that proposed solutions meet Fortescue's investment requirements over the relevant asset life, after considering capital costs, operating savings, and remaining life of mine.

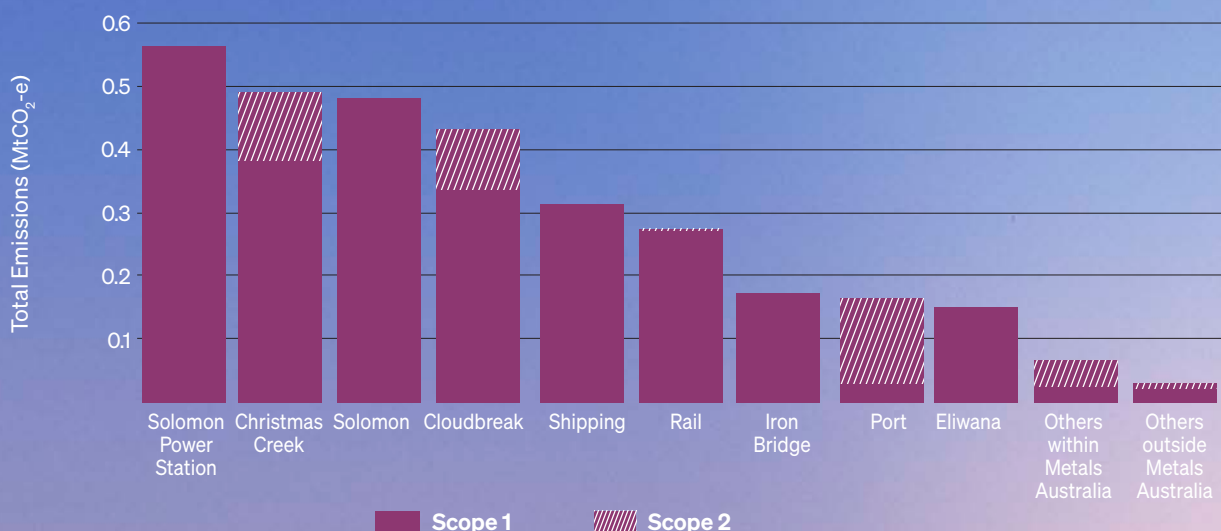
Our Scope 1 and 2 emissions profile is dominated (more than 90 per cent) by iron ore operations, primarily located within the Pilbara region of Western Australia. Our Scope 1 emissions (direct emissions from sources owned or controlled by Fortescue) stem mostly from diesel consumption on our operating Australian mines. Shipping emissions from our owned and operated vessels are included in our Scope 1 emissions. Scope 2 emissions are indirect emissions from the generation of electricity, heat or steam purchased by Fortescue.

	2026	2025
Group emissions	MtCO ₂ -e	MtCO ₂ -e
Scope 1	2.75	2.64
Scope 2 - location-based	0.39	0.38
Scope 1 and 2 (location-based)	3.13	3.02

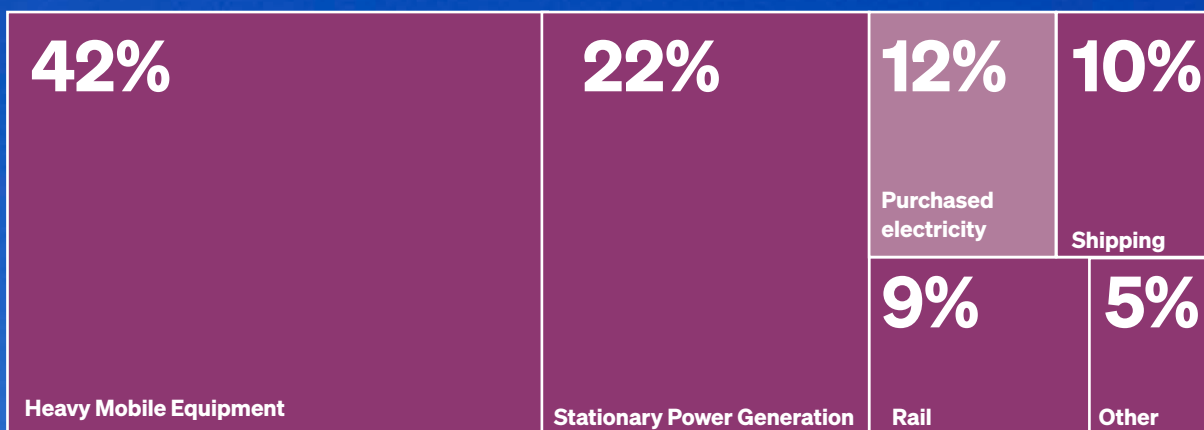
Metrics are presented on a rounded basis

We detail our emissions calculation methodology in the *Emissions data basis of preparation* section in the Sustainability Report: Climate Statements, which can be found in our FY26 Annual Report.

Scope 1 and 2 (location-based) emissions by facility



Scope 1 and 2 (location-based) emissions by source



Real Zero Target

Our Real Zero Target is to eliminate Scope 1 and 2 emissions from our Australian terrestrial iron ore operations in the Pilbara by the end of 2030. Our commitment is to eliminate emissions equivalent to Fortescue's equity share in our joint venture partnerships. We are also working with our joint venture partners to encourage the elimination of emissions equivalent to their equity shares in those joint ventures. Further detail on our plan to meet this target, and the risks and dependencies associated with achieving it, can be found throughout this plan. For the purpose of this target, "terrestrial" means that Scope 1 shipping emissions are excluded. These emissions are addressed through our Shipping Target.

TARGET DISCLOSURE ELEMENT	TARGET DETAILS
The metric used to set the target	Scope 1 and 2 emissions in MtCO ₂ -e
The objective of the target	Mitigation
The part of Fortescue to which the target applies	Australian terrestrial iron ore operations Scope 1 and 2, equivalent to our equity share
The period over which the target applies	2030
Whether the target is an absolute or intensity target	Absolute
The international agreement informing the target	Paris Agreement to limit global warming to 1.5°C
Greenhouse gases covered by the target	CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFC and PFC
Derived using sectoral decarbonisation approach	No
Target validation by a third party	No
Net or gross emissions target	Gross

Progress towards Real Zero Target

	2026	2025
	MtCO ₂ -e	MtCO ₂ -e
Scope 1 emissions covered by our Real Zero Target	2.35	2.24
Scope 2 emissions covered by our Real Zero Target	0.37	0.36
Scope 1 and 2 emissions covered by our Real Zero Target	2.72	2.60

Metrics are presented on a rounded basis.

The increase in FY26 is consistent with our transition plan whereby our emissions will increase in the short term as production increases while we deploy low-emissions technology. Our emissions are currently forecast to begin reducing from FY28. This profile reflects the sequencing required to transform a large, integrated mining operation while continuing to meet production commitments.

Australia's Safeguard Mechanism (SGM)

Fortescue is bound to comply with Australia's SGM. The SGM establishes facility-specific emissions baselines for large industrial facilities and is intended to support emissions reductions while recognising changes in production levels. For most covered facilities, baselines are calculated using production-adjusted methodologies that link allowable emissions to defined production variables and associated emissions-intensity values. As a result, compliance obligations are primarily driven by improvements in emissions intensity rather than reductions in output. Facilities that emit below their baseline may generate Safeguard Mechanism Credits (SMCs), while facilities that exceed their baseline must surrender eligible Australian Carbon Credit Units (ACCUs) or SMCs to meet compliance. This baseline-and-credit framework is intended to provide an economic incentive to reduce emissions while maintaining flexibility for facilities to respond to operational and market-driven changes in production. Baselines decline over time in line with Australia's emissions reduction objectives, increasing the incentive for ongoing decarbonisation.

In FY26, seven Fortescue facilities (Iron Bridge, Cloudbreak, Christmas Creek, Solomon, Eliwana, Solomon Power Station and Rail) were covered by the Safeguard Mechanism.

SAFEGUARD MECHANISM TARGET SET BY CLEAN ENERGY REGULATOR

The metric used to set the target	Scope 1 emissions in tCO ₂ -e/unit of production
The objective of the target	Nationally Determined Contribution (NDC)
The part of Fortescue to which the target applies	Scope 1 emissions from Fortescue's covered facilities
Base year	N/A
Whether the target is an absolute or intensity target	Intensity
The international agreement informing the target	UN Paris Agreement
Greenhouse gases covered by the target	CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFC and PFC
Derived using sectoral decarbonisation approach	No
Target validation by a third party	Target set by a third party
Net or gross emissions target	Net

Fortescue acquires and surrenders SMCs and ACCUs only to meet regulatory compliance obligations under the Safeguard Mechanism. These units are not used to meet Fortescue's Real Zero Target.

Fortescue's compliance requirement for FY26 was approximately 0.3 MtCO₂-e ACCUs/SMCs to be acquired and surrendered to the Australian Government. Fortescue prefers the use of SMCs over ACCUs. Where sufficient SMCs are not available, Fortescue will acquire and surrender the lowest cost ACCUs.

Fortescue acquires ACCUs and SMCs produced by third parties under Australian Government-approved methodologies and schemes. Fortescue considers the Clean Energy Regulator's (CER) issuance of SMCs, together with its review and validation of our compliance against SGM obligations, to provide appropriate assurance regarding the integrity of these credits.

Fortescue's approach is to eliminate emissions at source rather than to offset them.

Our surrender of carbon credits under the Safeguard Mechanism is a legal obligation, not a choice: the legislation requires facilities that exceed their baselines to surrender eligible units, and we comply. Doing so does not change our assessment that eliminating emissions at source is the most robust approach from a climate change perspective: emissions we never produce do not need to be compensated for, and avoiding them does not depend

on the integrity, permanence or additionality of credits generated elsewhere. Our purchases are limited to what the law requires and are expected to decline as our facilities decarbonise. Our long-term objective is to eliminate emissions at source, reducing reliance on compliance mechanisms over time, and we advocate for policy settings that reward real abatement, including capping offset use within carbon pricing schemes at 10 per cent or less with a clear pathway to phase them out.

The same principle underpins our position on policies that lower the cost of continued fossil fuel use. Since 2021, Fortescue has called for reform of Australia's Diesel Fuel Tax Credit scheme because refunding fossil fuel taxes creates a disincentive to investment in decarbonisation. A \$50 million annual cap would limit the refunds received by Fortescue and 17 other large mining companies, while having no impact on approximately 180,000 other claimants, including farmers, road freight operators and small miners. For more information, please refer to section Catalyse Action below.

Since September 2023, we have not purchased voluntary carbon offsets for Scope 1 and 2 emissions, and we use offsets only where required by legislation.

We take the same view of carbon markets generally. Carbon markets are not yet directing capital, or delivering emissions reductions, at the scale the transition requires, and they absorb considerable time and attention relative to the abatement they produce. They cannot substitute for the investment that decarbonises heavy industry. Where carbon markets demonstrably deliver real abatement, we will participate and share our experience. For now, our capital and effort go to eliminating emissions.

PROGRESS TOWARDS MEETING OUR REAL ZERO TARGET

Fortescue's operational decarbonisation pathway is built around three workstreams: power supply, mobility and system optimisation. Together, these workstreams support delivery of our Real Zero Target.





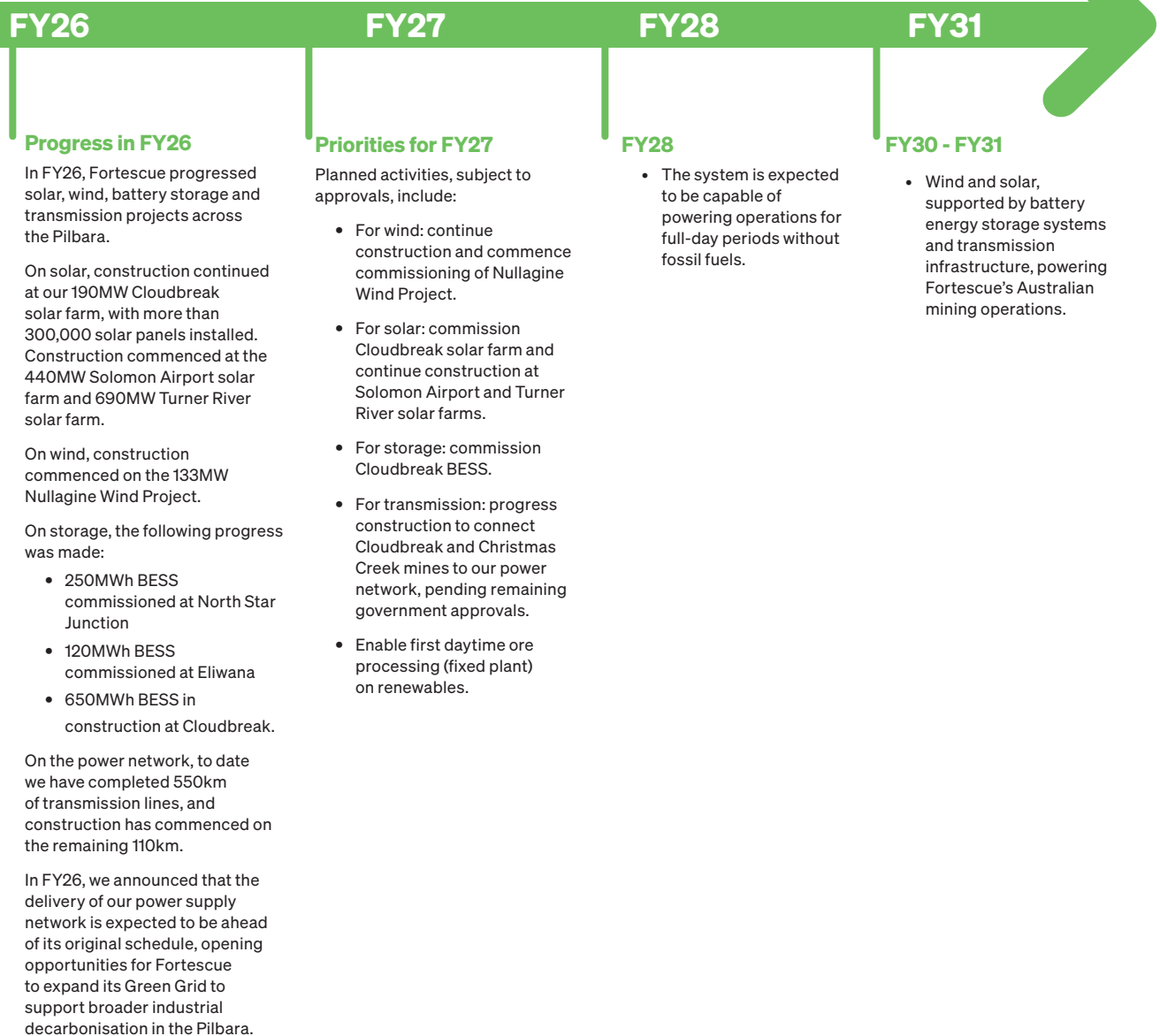
Power supply

Our Plan

Our strategy is to build and operate a Pilbara energy network - our Green Grid - capable of integrating renewable electricity across our mining operations. The planned system comprises approximately 1.5 gigawatt (GW) of solar, 900MW of wind generation, 4-5GWh of battery storage and 660 kilometres (km) of transmission infrastructure to drive our decarbonisation, and support business opportunities to provide power to third parties. Together, these assets are designed to provide the scale, flexibility and reliability required to progressively replace fossil fuel-based power and support the electrification of our operations.



Stationary power - 22% of our Scope 1 and 2 emissions in FY26
Purchased electricity - 12% of our Scope 1 and 2 emissions in FY26



Key dependencies

Approvals, land access, Traditional Custodians engagement, supply chain availability, construction delivery, workforce capability and technology performance.



PILBARA

WESTERN AUSTRALIA

ANTICIPATED INFRASTRUCTURE



1.5GW



900MW



4-5 GWh storage



660km high
voltage transmission



Green Metal Project

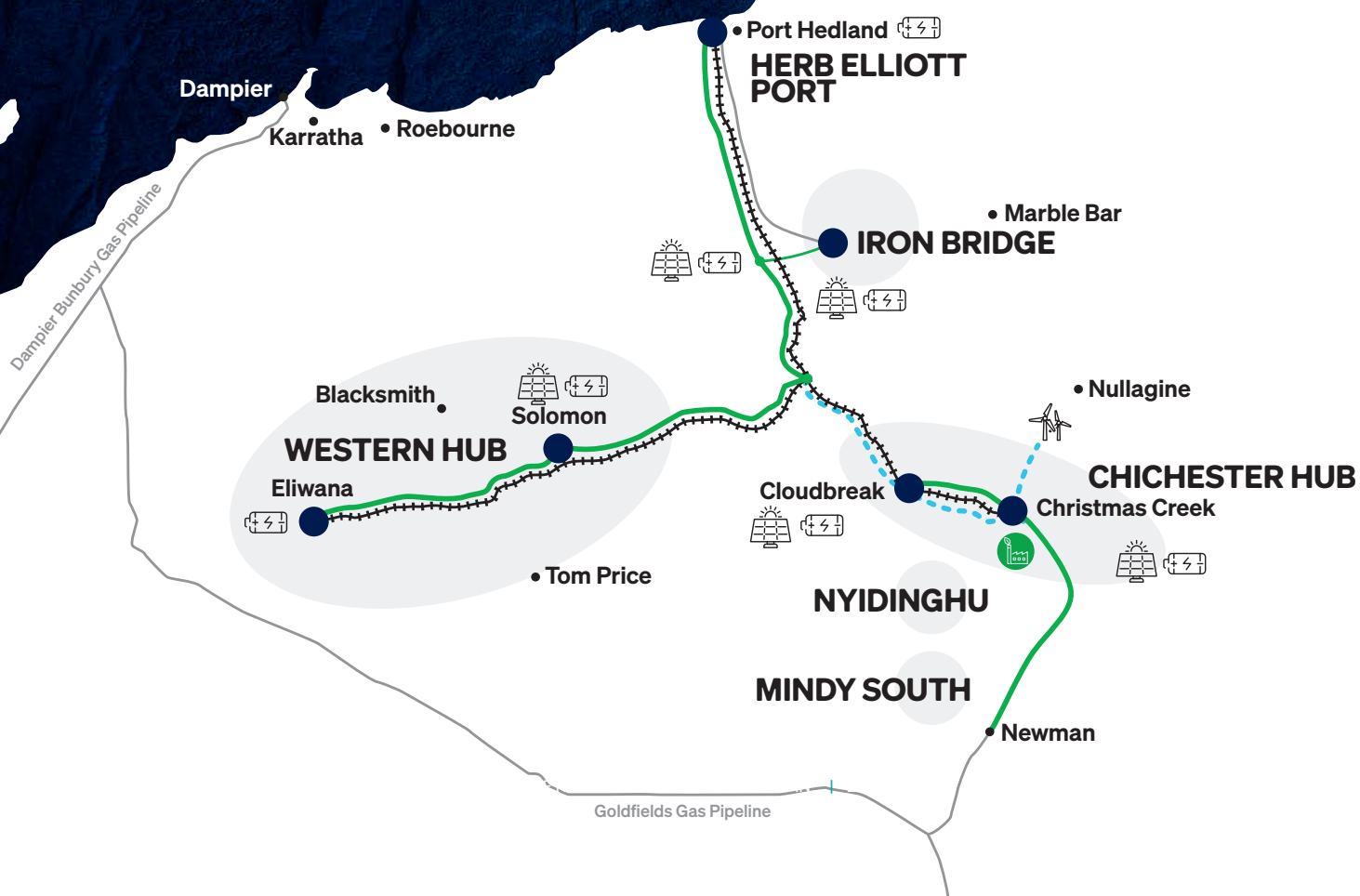
TRANSMISSION LINES



Operational



Under development





Mobility

Our Plan

We aim to deploy battery electric heavy mining equipment and related charging infrastructure, in partnership with original equipment manufacturers.



Heavy mobile equipment (HME) - 42% of our Scope 1 and 2 emissions in FY26
Rail - 9% of Scope 1 and 2 emissions in FY26

FY26

Progress in FY26

In FY26, Fortescue progressed the deployment, commissioning and testing of electric drills, electric excavators, battery-electric locomotives, battery-electric truck technology and ancillary equipment.

- Our first electric drill is in operation at Solomon.
- 18 electric excavators are now operational at Christmas Creek, Cloudbreak, Eliwana and Solomon.
- Commenced a trial of mine-spec battery electric Toyota HiLux at Eliwana.
- Conducted facility testing of XCMG's prototype battery electric wheel loader, dozer, grader and water cart.
- Conducted facility testing of MacLean's prototype battery electric grader, which is powered by a Fortescue Zero power system.
- Built and commissioned the first two fast chargers for our battery electric haul truck fleet.

For rail:

- Commenced commissioning of two new battery electric locomotives on our rail network, delivered by Progress Rail. Each locomotive contains a 14.5MWh battery, making them the highest-capacity battery-electric locomotives produced to date, and each is designed to recover 40–60 per cent of energy used through regenerative braking.

FY27

Priorities for FY27

Planned activities include:

- Deploy further electric drills and electric excavators.
- Deploy the first battery electric haul trucks.
- Onsite testing of the battery electric water cart, loader, wheel dozer and grader prototypes and cable electric drill prototype.
- Progress associated charging infrastructure, including manufacturing and load testing of fast chargers in China, in preparation for shipping to Pilbara sites.
- Prove the 6MW off-road DC fast-charging system for use with battery electric heavy mining equipment.
- Progress Flying Fish as Fortescue's first fully electrified load-and-haul operation, connected to our power network, and commence off-hiring diesel assets.

For rail:

- Initiate the first stage of trials of the energy management system, a key enabling software for the future rail electrification solution.
- Continue engineering validation of a technical solution for a commercially viable pathway to rail electrification.
- Continue operational testing of battery-electric locomotives, firming technology suitability.

FY28

FY28

- Commence deployment of production battery electric ancillary equipment.

FY31

FY30 - FY31

- Electrified heavy mobile equipment fleet operational across Fortescue's Pilbara operations.
- Supporting charging and electrical infrastructure deployed across Pilbara sites.

Key dependencies

Technology readiness and commercial-scale deployment, supplier equipment inventory at the scale and speed required, charging infrastructure, workforce capability, production performance and supply chain availability.

System optimisation

Our Plan

We are developing an AI-enabled integrated mining and power optimisation model that supports decisions on when to use and store renewable power to maintain mining production.

FY26

Progress in FY26

- Progressed commissioning Supervisory Control and Data Acquisition (SCADA) systems to support remote monitoring and control of in-pit electrified mining equipment.
- Continued to work with the Australian Bureau of Meteorology and other technology partners to improve forecasting for Pilbara solar and wind generation.
- Developed an AI-driven dispatch simulation to optimise charging of a mine site's battery-electric haul fleet.

FY27

Priorities for FY27

- Commissioning control systems to support battery-electric truck charging.
- Deploying systems to optimise the reconfiguration of in-pit cable and electrical equipment to support mining priorities.
- Developing a decision support tool for Operations to help maximise utilisation of energy generated from new solar farms and BESS assets.

Key dependencies

Data quality, system integration, grid stability, equipment delivery, operational readiness and workforce capability.





SCOPE 3 EMISSIONS

Scope 3 emissions are all other indirect greenhouse gas emissions that occur in our value chain, including both upstream and downstream emissions. In FY26, Fortescue's Scope 3 emissions were 275.64 MtCO₂-e, approximately 90 times greater than our Scope 1 and 2 emissions of 3.1 MtCO₂-e. By far the largest source of Fortescue's Scope 3 emissions was the steelmaking process, which accounted for 97 per cent of our Scope 3 emissions.

Steelmaking generates significant emissions due to its current reliance on coking and thermal coal; however, new approaches that use renewable electricity and Green Hydrogen in metal production are under development by Fortescue and other businesses. The next largest source of Scope 3 emissions in FY26 was shipping, which contributed to emissions across Scope 3 Categories 3, 4 and 9.

	2026	2025	
Group emissions	MtCO ₂ -e	MtCO ₂ -e	Evaluation status
Category 1: Purchased goods and services	2.27	2.28	Relevant, calculated
Category 2: Capital goods	0.11	0.12	Relevant, calculated
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	0.64	0.61	Relevant, calculated
Category 4: Upstream transportation and distribution	3.33	3.07	Relevant, calculated
Category 5: Waste generated in operations	0.02	0.04	Relevant, calculated
Category 6: Business travel	0.03	0.03	Relevant, calculated
Category 7: Employee commuting	0.11	0.11	Relevant, calculated
Category 8: Upstream leased assets	0.09	0.05	Relevant, calculated
Category 9: Downstream transportation and distribution	0.40	0.41	Relevant, calculated
Category 10: Processing of sold products	268.64	269.20	Relevant, calculated
Category 11: Use of sold products	—	—	Not relevant, end of reporting boundary as Fortescue only sold intermediate products in FY26.
Category 12: End-of-life treatment of sold products	—	—	
Category 13: Downstream leased assets	0.003	0.003	Relevant, calculated
Category 14: Franchises	—	—	Not relevant, Fortescue does not have franchise operations in FY26.
Category 15: Investments	—	—	Not relevant, emissions have been assessed to be immaterial in FY26.
Total Scope 3 emissions	275.64	275.94	

FY25 Scope 3 Category 3 emissions have been restated from 0.55 to 0.61 million tonnes to correct a calculation error, impacting the decimal points of FY25 Total Scope 3 emissions. Metrics are presented on a rounded basis.

We detail our emissions calculation methodology in the *Emissions data basis of preparation* section in the Sustainability Report: Climate Statements, which can be found in our FY26 Annual Report.

Shipping Target

Our Shipping Target is to enable a reduction in emissions intensity levels from the shipping of our iron ore by 50 per cent by 2030, from FY21 levels. This target applies to both Fortescue-operated Very Large Ore Carriers (VLOCs, emissions reported in Scope 1) and third-party vessels (emissions reported in Scope 3), representing 8 per cent and 92 per cent of our shipments respectively this financial year. Under the GHG Protocol Corporate Value Chain (Scope 3) Standard, shipping-related emissions contribute to Categories 3, 4 and 9.

Target disclosure element	Target details
The metric used to set the target	Emissions, in MtCO ₂ -e/million tonnes shipped, from shipping of our iron ore
The objective of the target	Mitigation
The part of Fortescue to which the target applies	Scope 1 emissions from shipping and Scope 3 emissions from shipping
The period over which the target applies	2030
Base year	FY21
Whether the target is an absolute or intensity target	Intensity
The international agreement informing the target	Paris Agreement to limit global warming to 1.5°C
Greenhouse gases covered by the target	CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFC and PFC
Derived using sectoral decarbonisation approach	No
Target validation by a third party	No
Net or gross emissions target	Gross

Progress Towards Shipping Target

		2026	2025	2021
	Unit		Baseline	
Iron ore shipped	Mt	201.33	198.38	182.18
Total Shipping emissions (Combined Scope 1 and 3 emissions related to shipping)	MtCO ₂ -e	3.81	3.67	4.07
Shipping emissions intensity	MtCO ₂ -e/ Mt of ore shipped	0.019	0.019	0.022

FY25 and FY26 shipping emissions were calculated using the latest fuel-consumption emissions factors from the Global Logistics Emissions Council Framework. As fuel consumption data was not available for the baseline year, baseline emissions were estimated using voyage-distance data. Metrics are presented on a rounded basis.

In FY26, shipping emissions intensity was 15 per cent below the baseline year. This reduction was achieved by applying our policy of chartering lower-emission vessels with RightShip GHG ratings of A-D, the use of fuel-efficient operating practices, including eco steaming, optimisation of voyages and schedules, and installing energy-saving devices on our VLOCs.

Absolute shipping emissions increased in FY26, driven by higher shipment activity, longer voyage distances arising from discharge port requirements and higher sailing speeds to support more efficient use of port berths.

As the majority of Fortescue's shipping emissions arise from third-party vessels, achieving this target will require both continued operational improvements and broader industry transition. Fortescue is therefore focused on improving the emissions performance of the current fleet while advancing ammonia-capable vessel development, port operational readiness and the regulatory and commercial frameworks needed to support future deployment.

Fortescue is working with Pilbara Ports and industry partners to develop the operational readiness required for ammonia-fuelled shipping at Port Hedland. This includes the safe entry of ammonia-fuelled vessels into port and terminal operations, together with the development of offshore bunkering arrangements to support future deployment.

Fortescue continues to pursue near-term emissions reductions through vessel selection, operational efficiency and voyage optimisation, while developing the vessels, fuels and infrastructure required for deeper decarbonisation. This includes ammonia-fuelled vessel development, port and bunkering readiness, and work to establish the regulatory, certification and commercial frameworks required for large-scale deployment of cleaner marine fuels.

Achieving sustained reductions in absolute shipping emissions will require continued action by Fortescue alongside broader industry deployment of zero-emission fuels and effective international and regional policy frameworks. Fortescue continues to advocate for an effective global framework through the International Maritime Organization (IMO), although progress through the IMO has been slower than anticipated.



Our Plan

We are focused on improving the emissions performance of the current fleet while advancing ammonia-capable vessel development, port operational readiness and the regulatory and commercial frameworks needed to support future deployment.



Shipping reported in Scope 1 - 10% of our Scope 1 and 2 emissions in FY26
Shipping reported in Scope 3 - more than 1% of Scope 3 emissions in FY26

FY26

Progress in FY26

- Completed phase 1 of ammonia engine retrofitting project. Phase 2 is currently under analysis.
- Agreement signed with CMB. TECH for the charter of up to 12 ammonia-capable vessels.
- Planned delivery of first chartered dual-fuel ammonia-powered vessel through our agreement with Bocimar.

FY27

Priorities for FY27

- Ammonia bunkering trial in the anchorage at Port Hedland.
- Ship-to-ship transfer with ammonia consumed on the laden leg to China.
- Delivery of dual-fuel ammonia-powered vessels through our agreement with Bocimar.

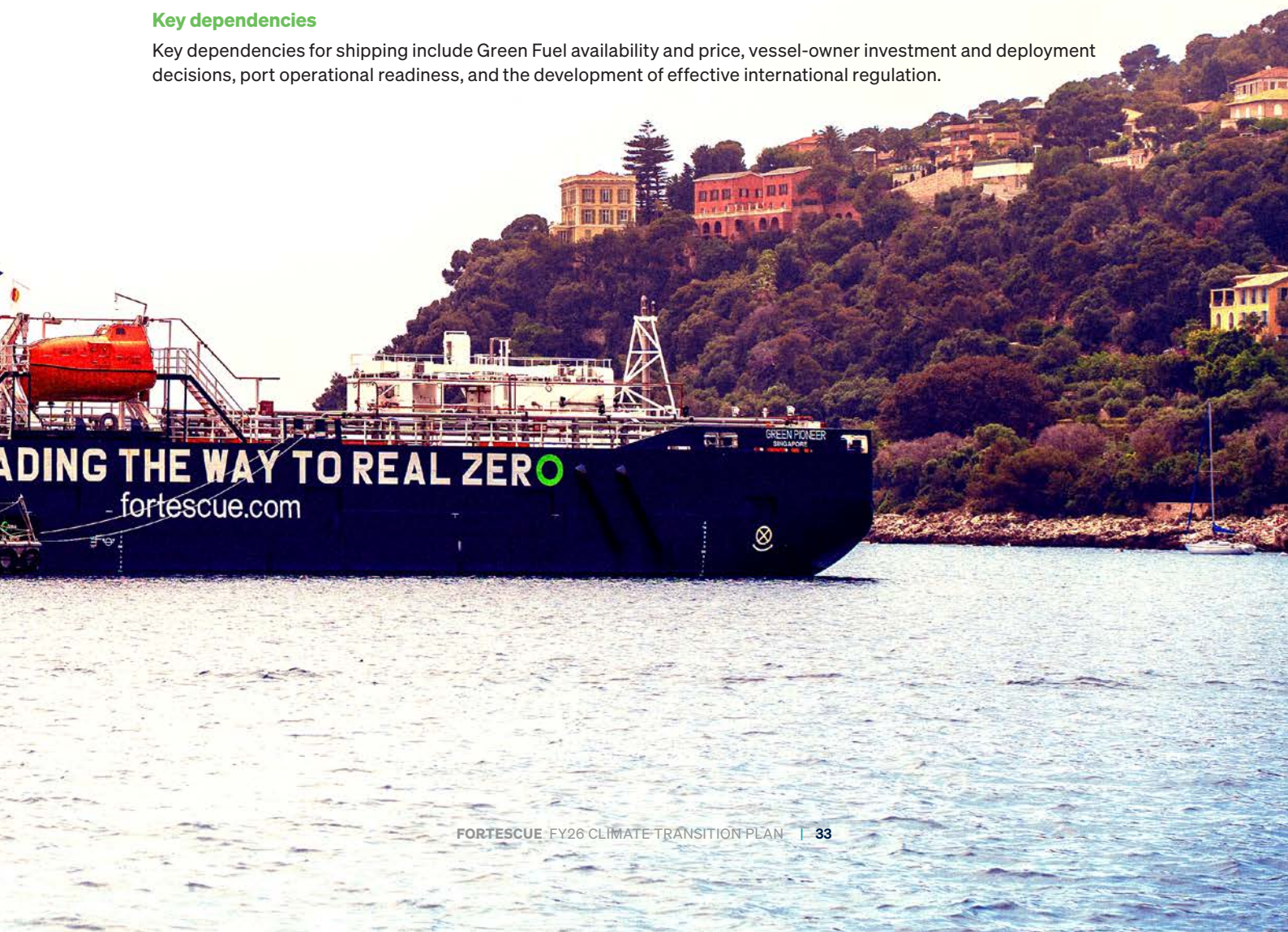
FY30

Sector ambition for 2030

- IMO target - to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008.
- IMO target - a reduction in carbon intensity of international shipping (to reduce CO2 emissions per transport work), as an average across international shipping, by at least 40% by 2030.
- IMO ambition - to increase uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5% striving for 10% of the energy used by international shipping by 2030.

Key dependencies

Key dependencies for shipping include Green Fuel availability and price, vessel-owner investment and deployment decisions, port operational readiness, and the development of effective international regulation.



Steelmaking Target

Our Steelmaking Target is to enable a reduction in emissions intensity from steelmaking by Fortescue's customers of 7.5 per cent by 2030 (from FY21 levels).

TARGET DISCLOSURE ELEMENT	TARGET DETAILS
The metric used to set the target	Emissions, in MtCO ₂ -e/million tonnes shipped, from the processing of our iron ore by our customers
The objective of the target	Mitigation
The part of Fortescue to which the target applies	Scope 3 emissions from processing of Fortescue's iron ore sold product
The period over which the target applies	2030
Base year	FY21
Whether the target is an absolute or intensity target	Intensity
The international agreement informing the target	Paris Agreement to limit global warming to 1.5°C
Greenhouse gases covered by the target	CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFC and PFC
Derived using sectoral decarbonisation approach	No
Target validation by a third party	No
Net or gross emissions target	Gross

Progress Towards Steelmaking Target

		2026	2025	2021
	Unit			Baseline
Iron ore shipped	Mt	201.33	198.38	182.18
Scope 3 Steelmaking emissions	MtCO ₂ -e	268.64	269.20	246.14
Scope 3 Steelmaking emissions intensity	MtCO ₂ -e/Mt of ore shipped to our customers	1.33	1.36	1.35

Detailed emission calculation methodology with product- and location-specific emission factors was implemented in FY22 and for all subsequent years. Our baseline emission intensity was set using global sectoral emission factors, and is therefore not directly comparable. Metrics are presented on a rounded basis

While our volume of iron ore shipped to our customers increased from 198.38Mt in FY25 to 201.33Mt in FY26, the associated steelmaking emissions by our customers decreased. Steelmaking emissions intensity (absolute emissions in MtCO₂-e per million tonnes of ore shipped) reduced year on year by 1.67 per cent to 1.33 MtCO₂-e per million tonnes of ore shipped in FY26.

Several factors have influenced the reduction in emissions:

- Steel mills are making improvements and the emission intensity of their processes is reducing. Independent mining and metals consultancy CRU has estimated this reduction and updated the emission factors applied to our product.
- Increased sales of Iron Bridge concentrate and increased share of Fortescue Lump in Fortescue's total sales contributed to the overall reduction through their lower associated steelmaking emissions intensities than Fortescue's average product portfolio.

- The reduction was partially offset by increased sales of lower-grade iron ore products, such as Super Special Fines, which have higher associated steelmaking emissions intensities than Fortescue's average product portfolio.

Our Steelmaking Target is dependent on various factors, including the pace at which our steelmaking customers transition to low-emission steelmaking. Fortescue is actively engaged in progressing the decarbonisation of steelmaking, including through our Green Iron investments. Further information on our engagement is described below in *Iron and steelmaking pathways*.

Iron and steelmaking pathways

Our Plan

Our focus is on demonstrating the technologies and processes that enable Fortescue's Australian ores to be converted into high-purity green metal.



**Processing of sold product/steelmaking -
97% of our Scope 3 emissions in FY26**

FY26

Progress in FY26

- During FY26, Fortescue progressed construction and commissioning of the Christmas Creek Green Metal Project, comprising an electric smelting furnace and downstream product processing, including granulation. Fortescue also continued to assess multiple reduction technology pathways. Broader testing of representative Fortescue ores with technology providers and partners began in FY26 and will continue in FY27, with selected campaigns intended to produce direct reduced iron (DRI) for processing at Christmas Creek.
- Fortescue continued research and development of its proprietary Low Energy Direct Electrochemical Reduction (LEDER) technology, including core-process testing, balance-of-plant design and simulation-assisted testing.
- Fortescue also progressed studies for potential commercial-scale Green Metal projects in the Pilbara and selected international locations. We supported a Tsinghua University study examining the potential economic, employment and decarbonisation benefits of an Australia-China Green Iron supply chain combining Australia's renewable energy and iron ore resources with China's manufacturing capabilities.

Key dependencies

Commercial deployment depends on demonstrating a pathway that can process Fortescue ore, manage gangue and impurities, achieve the required product quality and operate reliably at commercial scale with competitive capital, energy, hydrogen and operating costs. It also depends on renewable power and water availability, infrastructure, approvals, customer acceptance, certification and supportive market or policy conditions.

Scope 3 Target

Fortescue's Scope 3 Target is to achieve net zero emissions by 2040 across all relevant and calculated value chain categories. As steelmaking and shipping account for the majority of these emissions, our interim 2030 targets - to enable a 7.5 per cent reduction in steelmaking emissions intensity and a 50 per cent reduction in shipping emissions intensity from FY21 - are important milestones on this pathway. A key strategic focus is scaling the conversion of iron ore into Green Metal to help deliver a systematic and affordable pathway for decarbonising the steel sector. We are also supporting the transition to Green Shipping through lower-emissions chartering, innovation in developing ammonia-capable vessels and sustained advocacy for effective international regulation of shipping emissions.

Delivery will require continued collaboration with customers, vessel owners, fuel suppliers, ports, technology providers and governments.

TARGET DISCLOSURE ELEMENT	TARGET DETAILS
The metric used to set the target	Scope 3 emissions in MtCO ₂ -e
The objective of the target	Mitigation
The part of Fortescue to which the target applies	All relevant and calculated Scope 3 categories
The period over which the target applies	2040
Whether the target is an absolute or intensity target	Absolute
The international agreement informing the target	Paris Agreement to limit global warming to 1.5°C
Greenhouse gases covered by the target	CO ₂ , CH ₄ , N ₂ O, SF ₆ , HFC and PFC
Derived using sectoral decarbonisation approach	No
Target validation by a third party	No
Net or gross emissions target	Net

Our commitment to SBTi

Fortescue remains committed to science-based targets and third-party validation. We paused validation while the Science Based Targets initiative (SBTi) reviewed its standards, including its Scope 3 methodology. We are currently assessing the final requirements to re-initiate our validation process.

GROWTH: DEVELOPING SOLUTIONS TO DRIVE DECARBONISATION GLOBALLY

Fortescue is pursuing opportunities that support the global energy transition where they align with our strategy and are expected to create long-term value. Fortescue assesses these opportunities against market demand, technology readiness, policy settings, capital requirements, approvals pathways and expected shareholder value.

Markets and demand

China has made steel decarbonisation a central part of its commitment to peak carbon emissions before 2030 and achieve carbon neutrality by 2060. The 15th Five-Year Plan (2026–2030) reinforces this direction through policies that accelerate industrial emissions reduction and transformation of the steel sector. As the sector accounts for around 15 per cent of national emissions, policy and industry are driving a transition through:

- improving blast furnace efficiency
- increasing the use of higher-grade ore and recycled scrap
- deploying low-emission ironmaking technologies, including hydrogen-based direct reduced iron (H₂-DRI)
- expanding electric arc furnace (EAF) steelmaking, which currently represents around 10 per cent of Chinese production compared with around 70 per cent in the US and 40 per cent in Europe.

China is strengthening its commitment to this transition through economy-wide emissions reduction targets, expansion of the national emissions trading scheme to include steel, potentially tighter emissions allowances from 2027, and a requirement for 50 per cent of steelmaking capacity to meet benchmark energy-efficiency standards by 2028. Major producers including Baowu, HBIS and Ansteel have published decarbonisation roadmaps centred on low-carbon technologies and increased EAF production.

Our customer engagement is tailored to regional market conditions and evolving steel decarbonisation priorities.

In China, we are working with steelmakers to develop lower-emissions products and advance Green Metal opportunities. We have extended our memoranda of understanding with three leading Chinese steelmakers - China Baowu, CITIC Special Steel and Hunan Steel - to further assess the development of an Australia-China Green Metal supply chain.

Across other key markets, our focus reflects regional demand and policy settings. In Europe and North-East Asia, we are assessing potential demand for Green Metal as policy support and investment in steel decarbonisation continues to develop. In South-East Asia, we are expanding offtake opportunities for sinter fines and concentrate as demand for iron ore in those markets continues to grow.

We engage steel users, automotive manufacturers, equipment and appliance producers, and infrastructure developers in China, Europe, the United States and Japan through commercial discussions, technical workshops and demand studies. This helps us understand demand for low-carbon metallics and the ability of steelmakers and traders to pass product premiums through the value chain. We are seeing demand from steel mills to test bulk quantities of our Green Iron product from the Christmas Creek project.

Customer and product allocation can contribute to reducing downstream Scope 3 emissions intensity, even before new processing technologies are deployed. Where commercially and operationally feasible, we therefore prioritise customers with lower-emissions production pathways and credible decarbonisation plans. For example, we seek to place Iron Bridge concentrate with customers that have the capability to pelletise the product, rather than using it as a feedstock for sintering, which is generally associated with higher emissions.

Policy can create demand for lower-emissions products. The European Union's Renewable Energy Directive III supports demand for Green Hydrogen and Ammonia, although implementation by member states has been slower than expected. Carbon pricing in customer markets can also reduce the cost gap between conventional and low-emission products. Policy strengthens these signals, which is discussed in more detail in section Catalyse Action of this plan.

Fortescue Zero

Fortescue Zero is the technology arm of the Group: our technology and innovation business, developing and deploying the technologies that help eliminate fossil fuels from mining and heavy industry. It draws on the high-performance motorsport heritage of Williams Advanced Engineering, acquired in FY22 and now our technical innovation centre in Kidlington, England. Fortescue Zero combines engineering, battery technology, software and automation to accelerate our pathway towards our Real Zero Target while creating solutions with broader industrial applications.

Its key technologies are:

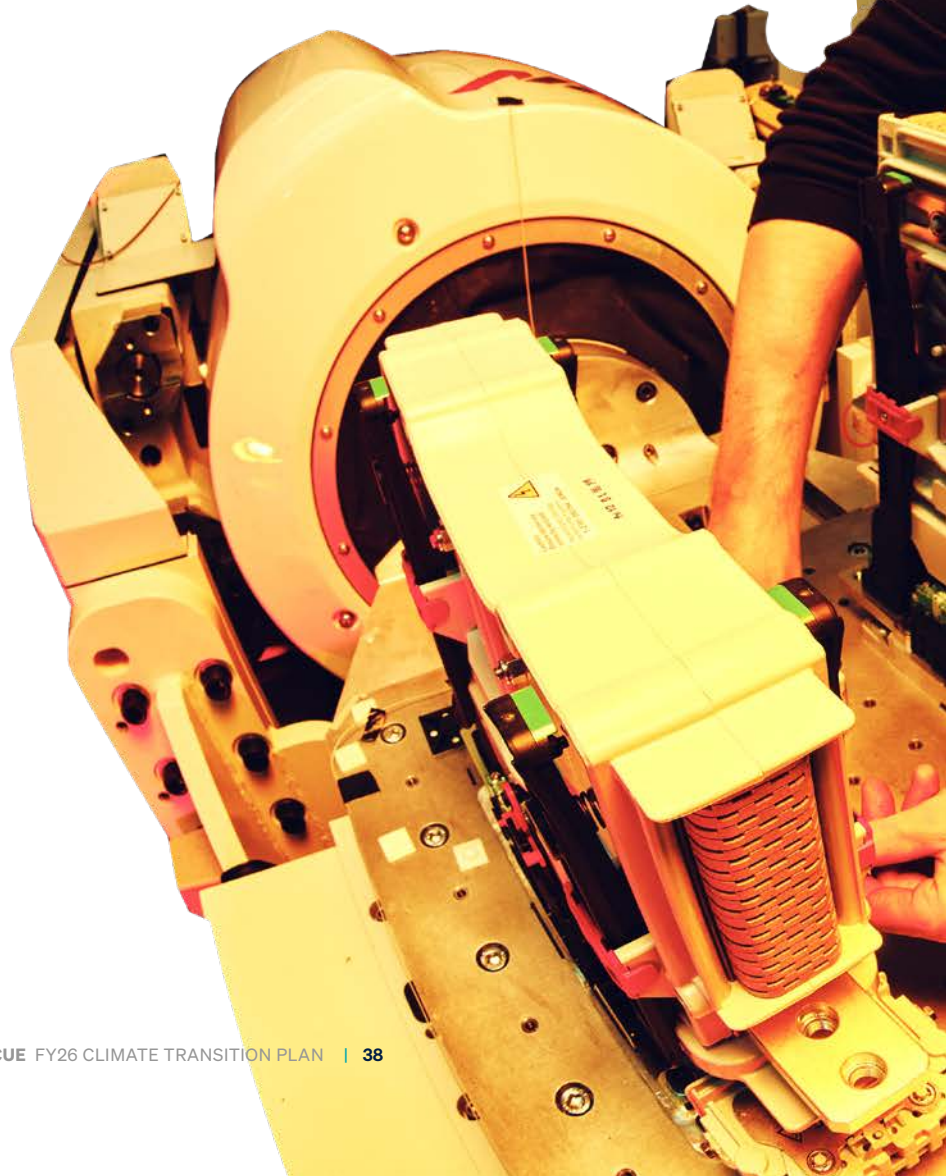
- High-performance battery systems for mining and heavy industry, engineered to operate in temperatures from -20°C to 60°C.
- HaulX, our next-generation Autonomous Fleet Solution, being developed and validated with Liebherr across our Pilbara operations.
- Elysia, our battery intelligence software, which now monitors over 10GWh of battery assets globally, improving battery performance, extending battery life and enhancing operational safety.
- Ultra-fast charging technology developed for mining and Formula E, including our first ultra-fast charger, supported by A\$10 million in ARENA funding and capable of charging a 240-tonne battery electric haul truck in approximately 30 minutes.

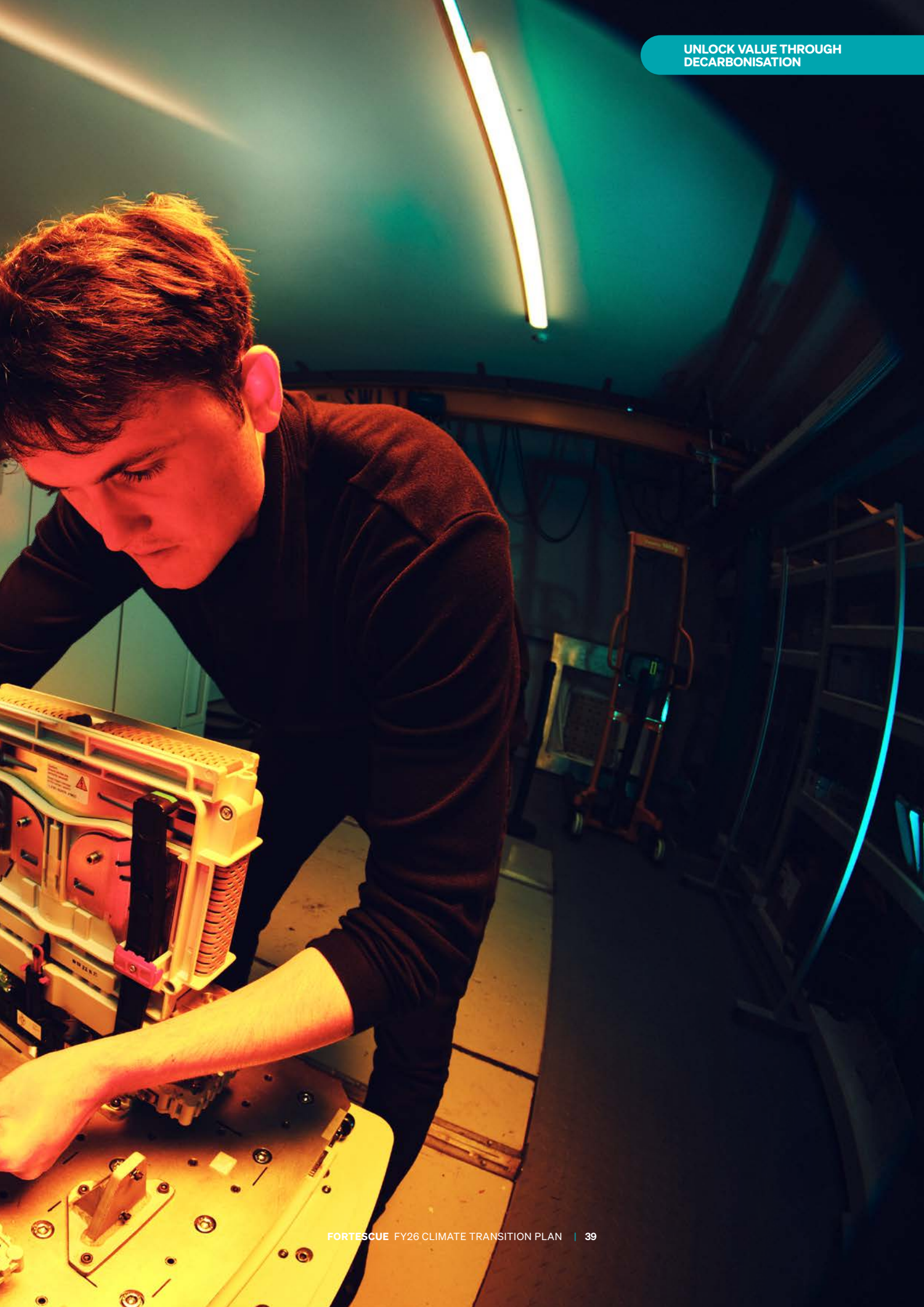
We develop, test and deploy technologies within our own operations before commercialising them more broadly: our Pilbara mines are one of the world's largest industrial test beds, proving performance at scale.

We design solutions of both 'off-the-shelf' products and new technologies via collaborations and partnerships with original equipment manufacturers (OEMs).

The opportunity beyond Fortescue is significant. Battery power systems, autonomous fleets, fast charging and battery intelligence all address problems shared by mining and heavy industry worldwide, and the operating experience we have built deploying them at scale supports others making the same transition. These technologies may be deployed in selected global markets where they are technically proven, commercially viable, supported by customer demand and consistent with our capital allocation framework.

Fortescue Zero's role in the Group is growing, with our acquisition of Nabrawind, headquartered in Spain, for its innovative technologies for wind turbine blades and towers. Our 133MW Nullagine Wind Project will comprise 17 wind turbines supplied by Envision using Nabrawind self-erecting tower technology.





Critical Minerals and Alta Copper

Fortescue continued to advance its critical minerals portfolio during FY26, increasing its exposure to commodities that are expected to support the global energy transition, particularly copper. Fortescue's pipeline of projects was progressed during the year through a combination of organic exploration activities and the assessment of inorganic growth opportunities.

Exploration programs conducted were concentrated in Australia, Latin America, Kazakhstan and Canada. Key activities included drill campaigns to evaluate priority copper targets in Australia, Argentina and Kazakhstan, together with early-stage geological analysis to support target generation and the planning of future drill programs across tenure holdings throughout our portfolio.

During FY26, Fortescue completed the acquisition of Alta Copper, securing control of the Cañariaco copper project in northern Peru. Following completion of the transaction, activities focused on integration and the technical reviews and community engagement required to progress the approvals needed to support the recommencement of field activities. Fortescue also continued to evaluate additional inorganic critical minerals opportunities during the year, applying a disciplined commercial approach to portfolio development and capital allocation.

Critical minerals depend on exploration success, resource quality, approvals, infrastructure, geopolitical conditions, demand and capital.



Expansion of new industries in the Pilbara

In FY26, the Board approved a US\$680 million investment to expand renewable power capacity in the Pilbara through the development of new infrastructure, and an expansion of the Green Grid. This investment is expected to provide renewable energy capacity to support regional decarbonisation opportunities across the Pilbara beyond our existing terrestrial operations.

We are actively working with government to address economic and regulatory barriers to the deployment of decarbonisation technology at pace. We also advocate globally for continued progress towards the goals of the Paris Agreement.

Through Fortescue Zero, we are developing engineering and IT integration solutions that support industrial decarbonisation. These solutions may be deployed in selected global markets where they are technically proven, commercially viable, supported by customer demand and consistent with Fortescue's capital allocation framework.



THE COMMERCIAL CASE

Fortescue's decarbonisation program is designed to create economic value as well as reduce emissions. Expanding our renewable electricity generation is expected to deliver substantial long-term operating cost savings, reduce exposure to volatile fossil fuel and carbon prices, strengthen energy security and improve the resilience of our operations. Our aim is to deliver the program in a way that supports continued production, avoids disruption to our guidance and remains broadly consistent with our existing capital commitments.

We apply the same commercial and capital discipline to decarbonisation as we do to other major investments. Projects are assessed against expected operating cost reductions, avoided carbon exposure, productivity and resilience benefits, delivery and technology risks, and the potential to create new products, markets and revenue streams. This approach applies to investment supporting our Real Zero Target, as well as Green Metals, critical minerals, operational resilience, exploration and resource development.

Investment decisions are made through Fortescue's established capital allocation, financial planning and funding processes. Climate-related expenditure, investment priorities and funding requirements are regularly reported to management and the Board.

In the short to medium term, planned capital deployment associated with the Industrial Decarbonisation and Electrification opportunity is expected to remain broadly consistent with existing guidance, including the previously announced US\$6.2 billion investment in the Pilbara Decarbonisation Program and an additional US\$680 million to expand our renewable assets, positioning Fortescue to pursue opportunities with potential demand for renewable power beyond our own terrestrial operations.

We expand on the climate-related financial impacts in the Sustainability Report: Climate Statements, which can be found in our FY26 Annual Report.

CATEGORY	2026 CAPITAL EXPENDITURE	2026 OPERATING EXPENDITURE	RELEVANT TO CLIMATE-RELATED RISKS AND OPPORTUNITIES IN THE CLIMATE STATEMENTS WITHIN THE FY26 ANNUAL REPORT
Pilbara Decarbonisation Program	US\$848m	US\$52m	<i>Policy and Regulatory Uncertainty</i> <i>Market Exposure</i> <i>Industrial Decarbonisation and Electrification</i>
Energy Segment	US\$88m	US\$577m	<i>Industrial Decarbonisation and Electrification</i>
Green Metal	US\$122m	US\$58m	<i>Market Exposure</i> <i>Industrial Decarbonisation and Electrification</i>
Critical Minerals	US\$120m	US\$12m	<i>Diversify into Minerals Needed for the Transition</i>

Expenditure supporting asset resilience, operational continuity and adaptation to physical climate risks forms part of Fortescue's broader operating and capital expenditure. We also continue to invest in exploration, studies and resource development to strengthen the competitiveness of our iron ore portfolio and respond to changing customer and market demand.

Future investment beyond committed and announced projects will be staged and assessed against market conditions, technology performance, regulatory approvals, commercial readiness and strategic fit.

Fortescue Capital complements this approach by combining Fortescue's project development capability with third-party capital. As a dedicated investment manager and fiduciary, it supports renewable energy, industrial decarbonisation and other low-emissions infrastructure projects to progress from development to commercial deployment, while creating long-term value for investors and maintaining disciplined use of Fortescue's balance sheet.

Renewable power generated on our own network can reduce exposure to volatile diesel and gas prices. In FY26, US\$610 million of operating expenditure was attributable to fossil fuels (5 per cent). Our objective is to reduce this proportion over time.

Eliwana's power operating costs have reduced since its connection to the Pilbara Energy Connect grid.

Each electric excavator is expected to displace approximately one million litres of diesel a year. Cabled excavators also require less engine maintenance and no refuelling, increasing asset availability. We continue to challenge contractors to maintain our operating costs as decarbonisation technologies are deployed.

By 2027, the Pilbara Decarbonisation Program is expected to avoid US\$100 million a year in fuel costs compared with a non-decarbonised operating environment. At its completion, it is expected to see a further reduction in C1 unit costs of at least US\$2 – US\$4/ wet metric tonne.

CHALLENGES AND LESSONS FROM IMPLEMENTATION

Fortescue's pathway to Real Zero depends primarily on major technology shifts across power generation, mining equipment and haulage. Emissions are therefore expected to decline as complete systems are commissioned and deployed, rather than at a uniform rate each year.

We are progressing the renewable generation, transmission, storage, charging infrastructure and electrified equipment required to deliver these reductions while maintaining mine productivity and meeting market guidance.

We have identified and are implementing pathways for the largest sources of emissions across our terrestrial iron ore operations, while continuing to develop technically and commercially viable solutions for the remaining sources.

Industrial decarbonisation carries a first-mover challenge.

Early projects must absorb the cost and risk of proving technologies, building enabling infrastructure and establishing supply chains before the full operating and emissions benefits become visible. Much of that investment also creates knowledge, capability and infrastructure that reduces the cost and risk for those who follow.

This reinforces the importance of stable policy, targeted risk-sharing and market settings that reward direct emissions reduction rather than leaving early movers to bear the cost of building the system alone.

Commercial delivery

Fortescue is focused on solutions that meet our investment requirements and strengthen the long-term competitiveness of the business. Profitable decarbonisation means that a proposed investment meets Fortescue's financial requirements over the relevant asset life after taking account of capital costs, operating savings, carbon compliance costs, deployment timing and remaining life of mine.

The economic case varies across the portfolio. Established mines were designed around diesel equipment and fossil fuel-based power, meaning electrification can require investment in new energy systems, charging infrastructure, equipment and operating practices. At mines with shorter remaining lives, there may be less time to recover this investment, while some fixed infrastructure may have limited value after closure.

We assess projects against these factors, including opportunities to relocate or reuse equipment and infrastructure across the Pilbara network. New developments provide a different opportunity, because renewable power and electrification can be incorporated into the operating model from the outset, reducing future retrofit requirements and supporting lower operating costs over the life of the asset.

Delivery remains dependent on technical performance, approvals, supply-chain capacity and the ability to implement solutions profitably.

Technology and system integration

Technology shifts will deliver the largest reductions in Fortescue's operational emissions, but moving from a successful trial to reliable industrial deployment takes time. Equipment must perform safely in Pilbara conditions, be manufactured in sufficient volumes and integrate with existing operations without compromising productivity or reliability.

Electrification must also be delivered as an operating system. Renewable generation, transmission, batteries, charging infrastructure, mining equipment and digital controls are interdependent and must be developed in the correct sequence.

This requires new capability across design, approvals, construction, commissioning, operations and maintenance, as well as systems that coordinate energy supply with mining demand.

Capital may therefore be committed before the full emissions benefit becomes visible. The enabling infrastructure and operating capability must first be built and commissioned before new technologies can be deployed across the fleet.

Policy and commercial advocacy

Fortescue invests significantly in policy and commercial advocacy to help establish regulatory and market conditions that support decarbonisation and reward businesses making early investments. This includes engagement with governments, customers and industry partners, as well as participation in multilateral forums such as the International Maritime Organization and the annual United Nations climate conferences.

Our advocacy focuses on measures that strengthen the commercial case for deployment, including effective carbon pricing, credible product standards, support for lower-emissions fuels and infrastructure, and the removal of policy settings that disadvantage investment in electrification and renewable energy.

Policy, regulation and markets must develop alongside technology. Fortescue's objective is to help create the conditions in which proven solutions can move more rapidly from trial to commercial deployment.

Shipping

Most of Fortescue's iron ore is transported on third-party vessels, limiting our direct control over vessel investment and fuel use. Progress therefore depends on commercially viable low-emission vessels and fuels, port readiness, and effective international regulation. Our experience has shown that shipping decarbonisation requires coordinated change across the wider system, not vessel technology alone.

We are responding through our lower-emissions chartering policy, voyage optimisation, ammonia-capable vessels, the Fortescue Green Pioneer and continued advocacy for a strong International Maritime Organization framework.

Green Metal

Green Metal must become cost-competitive with conventional production to be deployed at scale. Its economics depend on renewable electricity and hydrogen prices, technology performance, infrastructure and customer demand.

Fortescue is working to reduce these costs through technology development, process optimisation, product trials and partnerships across the supply chain. A continuing challenge is integrating reduction, materials handling, smelting and product processing into a reliable and commercially viable production system.

Scope 3 emissions

Fortescue's Scope 3 performance depends substantially on decisions made by customers, shipowners and the wider steel and shipping sectors. We are seeking to influence these emissions through customer partnerships, lower-emissions products, shipping initiatives and advocacy for policies that support carbon pricing, low-emissions fuels, credible product standards and demand for lower-emissions steel.

These experiences continue to inform how Fortescue sequences investment, develops technology and advocates for the regulatory and commercial conditions required to deliver Real Zero.

Lessons learnt

Progress is not linear. We have learnt three key lessons.

First, moving from a working technology to reliable operation at scale takes deliberate effort. Equipment must be engineered for site conditions, manufactured in sufficient volumes, supported by the required infrastructure and integrated into planning processes and commissioned on site, without compromising safety, production or reliability.

Second, we are re-thinking the way our mines run, at the same time as Artificial Intelligence is creating significant productivity advantages across our operational and planning processes, providing an opportunity to redesign the way we work with Artificial Intelligence and energy optimisation as primary levers of future productivity. Operational readiness and system integration are therefore critical. Electrification is changing the way our mining system is designed and operated, requiring infrastructure, digital systems, workforce capability and operating models to develop together. This is broader than training people to operate new equipment. It requires new capability across the full project lifecycle, from design and approvals through construction, commissioning, operation and maintenance.

Third, business models and financial returns in the renewable energy sector differ from those in the mining sector, resulting in different investment hurdles. Our experience has highlighted the commercial challenge of retrofitting established operations. Existing mines were designed around fossil fuel-based power and equipment, so electrification can require significant additional capital for new power systems, infrastructure and changes to site design and operating practices. The economics are further influenced by remaining mine life and the period available to recover that investment. New developments "born green" provide an opportunity to design renewable power and electrification into the operating model from the outset. While this may require higher upfront capital investment, it can avoid future retrofit costs and deliver a more efficient pathway to lower operating costs over the life of the asset.

This experience informs our advocacy for policy and investment settings that recognise the long-term value of early investment in renewable energy, electrification and enabling infrastructure.

DELIVER BUSINESS RESILIENCE

Climate change can affect Fortescue through changes in markets, policy, technology and customer demand, as well as through more severe physical climate hazards. Understanding these risks and opportunities, and how our business may respond under different conditions, supports our strategic and operational decision-making.

CLIMATE RISKS AND OPPORTUNITIES

Fortescue has identified five climate-related risks and opportunities that could reasonably be expected to affect Fortescue's cash flows, access to finance or cost of capital over the short, medium or long term. The full assessment, including financial effects, time horizons, methodologies and vulnerability or alignment metrics, is set out in the Climate Statements within the FY26 Annual Report.

Operational disruption from climate-related events (physical risk)

Fortescue's Pilbara iron ore operations and export value chain are exposed to extreme heat, tropical cyclones, intense rainfall and flooding, severe storms, bushfire weather, sea level rise and rainfall variability. These hazards may disrupt mining, processing, rail or port operations, damage infrastructure and affect shipments.

Current exposure is managed through established emergency management procedures, operational controls and flexibility, including monitoring, contingency planning, stockpiles and scheduling flexibility. Scenario analysis indicates that the frequency and severity of climate-related events may gradually increase over time, potentially resulting in more frequent operational interruptions. We continue to incorporate climate scenario analysis into infrastructure design, asset management and long-term investment decisions.

Policy and regulatory uncertainty (transition risk)

Evolving climate policy and regulatory frameworks may affect the cost, timing and competitiveness of Fortescue's Pilbara iron ore operations and export value chain.

The main areas of exposure are declining Safeguard Mechanism baselines, potential changes to the Diesel Fuel Tax Credit and emerging international maritime emissions regulation. These could increase carbon compliance costs, the effective cost of diesel and the cost of shipping iron ore.

Fortescue is reducing its exposure by integrating regulatory considerations into planning, investment and operational decisions. This includes progressing the Pilbara Decarbonisation Program to advance our Real Zero Target through investment in renewable generation, battery storage, integrated transmission infrastructure and the deployment of battery-electric fleets, charging infrastructure and electrified plant. The FY26 capital expenditure associated with these initiatives was approximately US\$848 million. Fortescue also monitors policy developments, engages with governments and industry and invests in research and development for lower-emissions shipping fuels.

Market exposure (transition risk and opportunity)

Decarbonisation of the steel value chain may influence demand for iron ore products through changes in customer preferences, product quality requirements, processing performance and supply pathways that support lower-emissions steelmaking.

Steel value-chain decarbonisation creates both a risk and an opportunity through possible effects on price realisation, margins, market access and competitiveness. Short-term impacts are expected to be limited, while medium-term and long-term impacts may be more pronounced.

Fortescue is responding by monitoring changing customer and market requirements, maintaining flexibility across its product portfolio and protecting its low-cost operating position. In parallel, Fortescue is ramping up its high quality magnetite production and progressing Green Metals initiatives to support potential future demand for lower-emissions products and steelmaking pathways.

Industrial decarbonisation and electrification (opportunity)

The transition to a lower-emissions economy creates an opportunity for Fortescue to reduce fossil fuel use and operating costs in its own operations, while developing technologies and products that may support industrial decarbonisation more broadly.

Fortescue is progressing the Pilbara Decarbonisation Program through investment in renewable generation, battery storage, transmission infrastructure, electrified mining equipment, charging systems and Green Metals processing capability. As these systems scale, they are expected to reduce energy and carbon compliance costs.

In parallel, Fortescue is building capability through Fortescue Zero in advanced power systems, battery management, intelligent energy solutions and renewable energy development. These activities are expected to create new revenue opportunities over time, with technology performance, customer demand, regulatory settings and commercial viability as key dependencies.

Diversification into minerals needed for the transition (opportunity)

The global transition to a low-emissions economy is increasing demand for critical minerals used in electrification, renewable energy and energy storage technologies. Commodities such as copper are expected to play an important role in supporting the energy transition and may present growth opportunities for Fortescue.

Fortescue is progressing this opportunity through exploration in Australia and internationally, targeted acquisitions and staged technical and project studies. This includes the acquisition of Alta Copper and the Cañariaco copper project in Peru, alongside continued assessment of other opportunities.

The timing and value of this opportunity depend on exploration success, resource quality, approvals, infrastructure, geopolitical conditions, market demand and capital requirements.

IRON BRIDGE

Iron Bridge, our high-grade magnetite joint venture, is the most energy-intensive asset in this plan. Its processing and concentrate-handling requirements exceed those of our hematite operations.

Magnetite requires wet processing and concentration before shipment, and the concentrate is transported by pipeline to Port Hedland.

While the North Star Junction Solar Farm covers about a quarter of Iron Bridge's electricity needs, production ramp-up drives growing gas demand, contributing to above-mentioned temporary increase of Scope 1 and 2.

Iron Bridge also supports Scope 3 reductions. Its high grade concentrate is placed mainly with pellet producers to support lower-emissions steelmaking routes. Increased sales of Iron Bridge Concentrate contributed to the FY26 improvement in steelmaking emissions intensity.



SCENARIOS AND RESILIENCE

Fortescue used scenario analysis to test how different transition and physical climate conditions could affect its strategy and business model. The scenarios are stress tests, not forecasts, and no probabilities were assigned to them.

The assessment focused on the Pilbara iron ore value chain, where Fortescue's current revenue and climate-related financial exposure are most concentrated. The full resilience assessment, including the climate scenarios considered, methodology, key assumptions, uncertainties and results, is set out in the FY26 Annual Report.

Transition resilience

Fortescue assessed lower- and higher-warming transition scenarios to understand how changes in iron ore prices, demand, technology and steel-sector decarbonisation could affect the business.

Iron ore price assumptions varied across the scenarios and time horizons but remained within historically experienced ranges. Based on the scenarios assessed, Fortescue's strategy and business model had capacity to adapt to the transition risks modelled, and target financial metrics were maintained across the short, medium and long term. Where deviations arose, the assessment identified capital management levers that could support continued pursuit of Fortescue's strategic objectives.

The assessment reinforced the importance of monitoring the pace of steel-sector decarbonisation, the development of lower-emissions ironmaking technologies, demand for higher-grade iron ore and the long-term market position of lower-grade products. It also supported Fortescue's existing focus on maintaining a low-cost Pilbara business, progressing Green Metals, expanding exposure to higher-grade iron ore opportunities and diversifying revenue streams through critical minerals.

Physical resilience

Fortescue assessed the potential effects of acute climate hazards on critical assets and operational processes across the Pilbara iron ore value chain under low-, intermediate- and high-emissions scenarios.

Preliminary modelling indicates that, over the short and medium term, climate-related operational impacts are expected to remain largely within the range of weather-related disruptions already incorporated into mine planning assumptions. The assessment did not identify a need for fundamental changes to Fortescue's strategy, given existing planning assumptions, operational flexibility and response capability.

In the long term, and in the absence of additional mitigation and adaptation measures, average annual effective downtime could increase by approximately seven days under a high-emissions scenario.

The assessment reinforced the importance of incorporating physical climate risk into long-term resilience planning, including infrastructure design, asset vulnerability assessment and strategic investment decisions. Fortescue is continuing to strengthen its climate scenario analysis and risk assessment capabilities to support the identification of vulnerabilities and development of adaptive responses over time.

CATALYSE ACTION

THE CASE

Many of the technologies required to eliminate emissions from heavy industry already exist. The challenge is to deploy them at scale, drive down costs and prove they can perform in demanding operating environments. Fortescue is doing this in the Pilbara, where equipment and energy systems must operate reliably in extreme heat, cyclonic conditions and remote locations. We can demonstrate what is possible, but sector-wide change will ultimately require coordinated action from governments, industry, financiers and customers.

Policy settings shape the pace and economics of that change. Where fossil fuels remain subsidised or their full carbon costs are not reflected, companies that invest early in decarbonisation can face costs that competitors avoid. For example, in Australia, the Diesel Fuel Tax Credit system renders the carbon-price signal created by the Safeguard Mechanism entirely ineffective for large industrial users in the mining sector. Reform is therefore needed to reward investment, strengthen demand for lower-emissions solutions and accelerate deployment across the economy.

Fortescue is working to drive Real Zero across industry by combining practical demonstration with sustained advocacy and partnership. We are investing not only in the technologies and infrastructure needed to decarbonise our own operations, but also in the policy, regulatory and market conditions required for these solutions to be adopted at scale.

WHAT THE MINING SECTOR NEEDS

Mining companies can act now on renewable generation, battery storage, fixed-plant electrification and system optimisation. Heavy mobile equipment and rail are progressing from prototype to commercial deployment. Fortescue is testing these technologies in Pilbara operating conditions, publishing what we learn and placing commercial orders where performance is demonstrated. We encourage other miners to share operating results, including challenges and lessons, to build confidence and accelerate adoption across the sector.

Government action is needed to support timely approvals, coordinated transmission development and policy settings that reward direct emissions reduction. Shared infrastructure can reduce duplication and lower costs for later users. Early and meaningful engagement with communities and Traditional Custodians is also essential to credible approvals, durable project support and the delivery of local benefits.

Technology providers must move from individual prototypes to production equipment available at fleet scale, at workable cost and on reliable schedules. Fortescue's approach is to test equipment on site, confirm performance and create demand through commercial orders.

Industry and governments must also support the supply chains and workforce required for deployment, including apprenticeships, trade conversion and expanded electrical, technical and maintenance capability.

Mining companies remain responsible for social licence, access to land, water and renewable resources, disciplined capital allocation and management of physical climate risks. These factors need to be considered from the study and design stages, rather than after technology decisions have been made. Fortescue addresses them through early engagement, coordinated infrastructure planning, climate-risk assessment, a strong balance sheet, diverse funding sources and Fortescue Capital.

Access to finance must also recognise credible first movers. Early projects can carry higher costs and delivery risks while creating knowledge, infrastructure and supply chains that benefit later users. Public finance, co-investment and risk-sharing mechanisms can help technologies progress from demonstration to commercial deployment without weakening capital discipline.



WHAT OTHER SECTORS NEED

Our Scope 3 emissions sit overwhelmingly in two systems beyond our operational control: steelmaking, which accounts for 97 per cent of our Scope 3 emissions and is concentrated in China, where around 90 per cent of our iron ore sales go, and the shipping lane between us. Whether our Scope 3 targets can be met is decided mostly inside those two systems.

Steel decarbonisation requires technologies that can use widely available ores, investment in compatible Green Metal and steelmaking capacity, credible certification and sustained customer demand. Fortescue is developing pathways to convert Pilbara hematite ores into high-purity Green Metal and is working with customers, governments and research partners across China, South-East Asia, Europe, the Middle East and Australia.

Wider deployment will require steelmakers to participate in product trials and invest in compatible production capacity. Steel users, standards bodies and governments can support this transition through credible certification, procurement, carbon pricing and other measures that create bankable demand for verified lower-emissions products.

Shipping faces a similar set of dependencies. Progress requires engines and vessels available at scale, competitively priced zero-emission fuels, safe and accessible bunkering infrastructure, and consistent international regulation. Fortescue is contributing as a vessel owner, charterer, technology developer and early customer. Shipowners must order capable vessels, fuel producers must build supply, ports must establish bunkering infrastructure and the International Maritime Organization (IMO) must provide a durable global framework.

Timing is critical. Decisions taken now on technology production, approvals, fuel supply, steelmaking investment and international regulation will determine what can be deployed by 2030 and the pathway available to achieve our target for Scope 3 emissions by 2040.

WHAT WE ASK OF SPECIFIC GOVERNMENTS

Our key asks at global level are:

- Adoption of Real Zero commitments, defined timelines for fossil fuel phase out (for both governments and corporates).
- Elimination of distorting fossil fuel subsidies.
- Implementation of carbon pricing mechanisms that appropriately reflect carbon externalities - with associated revenues recycled to support investment in renewable and low-emissions technologies.
- Strict limits to be enforced on the use of carbon offsets (by both governments and corporates) to meet climate targets, with investment to be prioritised on driving genuine emissions reductions.
- Governments to implement market-appropriate incentive schemes to support uptake of renewables and low-emissions fuels, especially for hard-to-abate sectors.
- Adoption and harmonisation of inter-operable green product standards, coupled with the removal of tariff and non-tariff barriers on green technologies.





Jurisdiction or forum	Ask
Australia (Commonwealth and Western Australia)	Align policy settings to reward direct emissions reduction and provide confidence for long-term investment. Cap the Diesel Fuel Tax Credit at A\$50 million for each consolidated group and convert amounts above the cap into a Transition Tax Incentive for eligible projects, while retaining support for agriculture, transport and small businesses. Use the 2026–27 Safeguard Mechanism review to strengthen investment certainty. Progress timely approvals for transmission infrastructure and Pilbara renewable energy.
China	Deepen cooperation through the Australia–China Policy Dialogue on Steel Decarbonisation and ongoing Green Metal supply chain research. Support product trials, standards, demand creation and the development of Australia–China green iron and steel value chains. Next decision point: implementation of China's expanded national emissions trading scheme, with settings expected to tighten from 2027.
Argentina	Progress reform of Argentina's Glacier Law through the Argentine Chamber of Mining Companies (CAEM), to support a regulatory framework that enables responsible mining development in high-altitude areas.
International Maritime Organization (IMO)	Adopt and implement a global marine fuel standard and greenhouse gas pricing mechanism that applies consistently across the sector and rewards early investment in zero-emission fuels. Fortescue will continue to combine regulatory advocacy with practical demonstrations of industry readiness. Next decision point: the resumed extraordinary session expected 4 December 2026, following Marine Environment Protection Committee (MEPC 85) meeting.
European Union; plurilateral initiatives	Maintain effective carbon-price signals, implement renewable fuel requirements including through timely adoption of EU's third Renewable Energy Directive (RED III) mandates, strengthen the EU Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM) and create lead markets for verified lower-emissions commodities. These measures can narrow the cost gap with conventional production and provide confidence for industrial investment. Strengthen the electrification agenda through increased investment in grid infrastructure and the promotion of greater interconnection both between EU member states and with neighbouring European markets.

Our advocacy is concentrated in the forums capable of affecting these outcomes. In FY26, Fortescue used engagements at COP30, Davos, the Munich Security Conference, the Boao Forum for Asia, the Santa Marta Summit, International Maritime Organization negotiations and major shipping and climate events to present Real Zero as an economic, energy-security and industrial proposition - not only an environmental commitment.

SANTA MARTA

At the First Conference on Transitioning Away from Fossil Fuels in Santa Marta, Fortescue co-led the Private Sector Engagement Track, co-ordinating input across 80+ businesses with a strong climate focus, and called for credible transition plans, fossil fuel subsidy reform and clear policy settings that enable private investment in renewable energy and industrial decarbonisation. We will continue to advocate for a faster, orderly and just phase-out of fossil fuels as essential to both economic resilience and global decarbonisation in multilateral fora. The Green Pioneer docked in Santa Marta during the conference as a proof point of the possibility of fossil fuel phase out, even in the hardest to abate sectors.

At COP31, we will build on this work by highlighting how geopolitical instability and volatile fuel markets have strengthened the case for energy security through renewable energy and electrification.

WHAT WE ASK OF TECHNOLOGY PROVIDERS

Technology priorities are battery density and charging for heavy haul, ammonia engines and fuel supply, lower-cost electrolyzers, long-duration storage and Green Iron process scale-up.

Fortescue can provide demand, operating sites, data and co-development capability. Our fleet orders, vessel-conversion plans and pilot projects provide practical signals to technology suppliers. Technology providers must respond with equipment that has a clear pathway to reliable, fleet-scale production and competitive cost.

Batteries and charging for heavy haul

Locomotive-scale batteries are in commissioning. Fast charging has been tested and larger units have been ordered. The battery-electric haul truck program is moving from prototype testing to production units. Higher cell density improves range and payload, while faster charging reduces equipment downtime.

Ammonia engines, fuel supply and price

A retrofit engineering study is under way for our ore carriers. The Green Pioneer has demonstrated dual-fuel operation, and we have chartered ammonia-capable vessels from shipowner CMB.TECH Commercial use depends on Green Ammonia availability and price.

Electrolyzers

Green Hydrogen is the reducing agent in some Green Metal pathways. Electrolyser capital cost and conversion efficiency are therefore major drivers of commercial Green Metal economics.

Long-duration storage

Batteries manage evening demand and short-term variability. An islanded industrial grid also needs affordable storage for longer weather events. The Pilbara network provides a potential test environment for credible technologies.

Green iron process scale-up

We are proving the process, understanding cost behaviour and clearly identifying what remains unproven.

These priorities are supported by sites, timelines, orders and counterparties. We invite technology providers to bring credible prototypes for testing under Pilbara operating conditions.

CASE STUDY: INTERNATIONAL MARITIME ORGANIZATION

Fortescue remains an active and vocal advocate for the adoption of the International Maritime Organization's Net-Zero Framework. We have continued to engage this year with a broad range of governments, industry and civil society partners to build and maintain support for an effective and high-ambition global outcome. Our advocacy highlights the economic opportunities the framework can create, including for emerging green-fuel-producing economies, and the technical and commercial viability of zero-emissions shipping solutions. Through the Green Pioneer project, we have demonstrated the technical, operational and safety requirements for the use of Green Ammonia as a marine fuel, generating practical learnings that continue to inform regulators, maritime authorities, ports and industry and demonstrate that ammonia-fuelled shipping is possible. Our advocacy is reinforced and given further credibility by practical steps within our own maritime operations, including our agreement with CMB.TECH to charter up to 12 ammonia-capable vessels, supporting the transition from technology demonstration to deployment across Fortescue's shipping supply chains.



PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships can reduce the risk of first deployment, generate shared operating evidence and coordinate infrastructure that no single company can efficiently deliver alone. Fortescue participates in partnerships targeted at specific barriers, including renewable energy integration, fast charging, shared Pilbara transmission, ammonia-fuelled shipping, heavy-industry research and fleet-scale equipment development.

ARENA

The Pilbara Solar Innovation Hub shares demonstration risk and makes findings available to the wider sector. We support similar structures for technologies that require operating evidence before commercial deployment.

The Pilbara Roundtable

The Western Australian Government-led roundtable is developing shared electrical infrastructure for regional decarbonisation. Shared infrastructure can reduce duplication and lower connection costs for later users.

The Green Pioneer Programme

The Green Pioneer project is a flagship public-private partnership bringing together governments, regulators, ports, classification societies and industry to accelerate the transition to zero-emission shipping. The programme combines technology demonstration, operational learning and regulatory collaboration, generating evidence that has informed IMO safety guidance and continues to support the development of international standards, port readiness and commercial deployment of ammonia as a marine fuel.

Heavy Industry Low-carbon Transition Cooperative Research Centre

As a founding member, we provide annual funding and in-kind support for shared research that reduces technology risk for hard-to-abate industry.

Equipment partnerships: demand-side industrial policy

Fleet-scale orders give manufacturers greater certainty to develop commercial production lines. Our agreements with XCMG, Liebherr and other partners support equipment that can later be supplied to the wider market.

Fortescue engages with a broad range of stakeholders, including governments, regulators, public sector organisations, communities, and civil society, to support our transition plan. Our engagement is prioritised toward achieving Real Zero by aligning advocacy efforts with key assumptions such as regulatory certainty, technological readiness, community acceptance, and market demand for low-emission products.

We also participate in cross-industry coalitions focused on practical, near-term emissions reduction. These include the First Movers Coalition, the Alliance of CEO Climate Leaders, the Green Hydrogen Organisation, the Global Renewables Alliance and the Breakthrough Agenda. We engage with climate scientists, engineers and economists, including through the Lethal Humidity Global Council.

Memberships are reviewed for alignment with our Values, objectives and policy positions on climate, biodiversity and human rights. We seek to influence associations where there is misalignment and may end a membership where material differences cannot be resolved. Our Industry Associations Report publishes the full list and alignment assessment.

THEY GET \$3 BILLION A YEAR

CASE STUDY: REFORMING THE DIESEL FUEL TAX CREDIT

Fortescue has advocated for targeted reform of the Diesel Fuel Tax Credit, proposing a A\$50 million annual cap for large corporate groups while retaining support for farmers, transport operators and small businesses. The proposal would redirect incentives towards electrification and renewable energy, reducing dependence on imported diesel and strengthening Australia's energy security.

The Iranian fuel crisis added urgency by exposing Australia's vulnerability to global fuel disruptions and price volatility. Fortescue used this moment to build a broader coalition of business, climate, community and industry organisations supporting reform. Momentum was reinforced when the Labour Party adopted a platform commitment to remove tax disincentives to decarbonisation, providing a policy foundation for the Government to progress future reform.

YOU GET THE BILL

Every year, the 18 largest companies in mining get \$3 billion back through the diesel tax handout.

Not only are they highly profitable companies, but most of their profits are shipped off overseas to fatten the wallets of others.

That's \$3b that could fund schools, healthcare and things Aussies really need.



**CAP THE
DIESEL TAX
HANDOUT
FOR THE BIG 18**

JUST TRANSITION

Our Plan

A just transition must support the people and communities affected by delivery. Fortescue is committed to delivering a just transition as we progress towards our Real Zero Target. We are supporting our workforce to build the skills required for electrified operations, working with suppliers to improve emissions performance, and engaging communities and Traditional Custodians early to identify local priorities and benefits. Through practical training pathways, responsible procurement and initiatives informed by social impact assessment, we aim to ensure decarbonisation strengthens capability, participation and resilience across the regions in which we operate.



Suppliers represent 1% of Scope 3 emissions in FY26

FY26

Progress in FY26

- Continued work with strategic suppliers including targeted engagement, practical guidance on greenhouse gas accounting, improved collection of contractor equipment data and mandatory sustainability training for our procurement teams.
- Fortescue Power Up Training Center has been established.
- First Dual Trade program has started with 10 participants.
- 5,893 employees completed Trailing Cable Awareness training (total 12,777 to date).
- 2,726 employees completed Lithium Battery Awareness training (total of 6,016 to date).

Key dependencies

Supplier capability and low-carbon technology availability, reliable supplier emissions data.

FY27

Priorities for FY27

- Power Up Training Center will support 120 electrical apprentices in 2026, with a further 48 commencing in 2027. It will also host more than 700 fitters completing battery-equipment electric awareness training and more than 150 trades people to be trained in battery-electric vehicle maintenance.
- Continue working with suppliers to align all operational contracts with site decarbonisation timelines and implementation of emissions reporting for all onsite suppliers.
- Investigate opportunities and determine possible strategies for Scope 3 emission reduction activities.



Workforce

Fortescue is uniquely positioned as a Green Metals, technology and energy business to transform how mining is powered and operated. Our people are developing, testing and deploying new technologies at industrial scale and demonstrating a pathway for other hard-to-abate sectors. While the overall mix of skilled and manual roles is expected to remain broadly stable, electrification will increase demand for capabilities in areas such as battery and power systems and create opportunities for trades people to gain the skills needed to operate and maintain new electrical infrastructure and equipment.

At the peak of decarbonisation construction, commissioning and electrified operations, it is estimated that 1,800 electricians will be required. To address this critical skills requirement, the Power Up Training Centre in Belmont has been established, providing electrical apprenticeships with South Metropolitan TAFE and battery-electric post-trade training with North Metropolitan TAFE.

The workforce planning tool is in its third iteration and models how electrification changes frontline trade hours. Nine learning packages were added in FY26 to support our transformation and deployment of low-emissions assets into the business, and the first Dual Trade program has started with 10 participants.

Decarbonisation Managers, Decarbonisation Leads and site communication roles support operational readiness on the ground at our operating sites in the Pilbara. We also invest in apprenticeships, dual-trade pathways, traineeships and graduate programs. Workforce capability is a formal delivery dependency and is reported through the risk management and governance processes described below.





Suppliers

Our onsite contractors and shipping suppliers are critical to delivering our Real Zero Target and Shipping Targets. We are working with strategic suppliers to identify decarbonisation opportunities, strengthen emissions capability and align equipment, services and delivery plans with our transition. This includes targeted engagement, practical guidance on greenhouse gas accounting, improved collection of contractor equipment data and mandatory sustainability training for our procurement teams. While purchased goods and services represent around one per cent of our Scope 3 emissions, supplier action remains important to the pace, cost and successful delivery of our transition.

Communities

Communities are important partners in delivering our transition. We engage early and throughout project planning, delivery and operations to understand community values and priorities, identify and manage social risks and impacts, and maximise opportunities for local participation and shared value.

Our approach is guided by Fortescue's Communities and Social Performance Standard, which applies across the project lifecycle. For new projects, we undertake stakeholder identification and mapping, develop project-specific Stakeholder Engagement Plans, and conduct transparent, inclusive and culturally appropriate engagement that informs project planning and decision-making.

Social Impact Assessments are undertaken for projects in accordance with regulatory requirements and international good practice to identify affected communities, assess potential impacts and opportunities, and inform mitigation measures. These assessments are supported by Social Impact Management Plans that integrate actions, responsibilities and monitoring into project delivery, ensuring social commitments remain effective throughout construction and operations.

Beyond impact management, we seek to create lasting value through local employment, procurement, skills development and strategic community investment. We maintain accessible grievance mechanisms, monitor social commitments and continue engagement throughout the project lifecycle to strengthen capability, participation and resilience across the regions in which we operate, supporting a just transition as we progress towards our Real Zero Target.

Indigenous peoples

We seek to build strong relationships with Indigenous peoples across our project portfolio, guided by our Human Rights Policy and Communities and Social Performance Standard. Engagement with Indigenous peoples and the responsible management of cultural heritage are important to the delivery of our transition, particularly where renewable energy and transmission infrastructure require land access and heritage approvals.

In FY26, we continued to engage with relevant Native Title parties to identify cultural values and inform measures to avoid or minimise impacts from planned decarbonisation works. We also continued to extend opportunities for Indigenous business participation and contracting into the delivery of decarbonisation projects.

Further information is provided in the FY26 Sustainability Report.

GOVERNANCE AND ACCOUNTABILITY

The Board has ultimate responsibility for climate-related risks and opportunities. It approves our climate strategy, targets, transition plan and climate-related financial disclosures. The Board receives quarterly sustainability and decarbonisation updates.

The Safety and Sustainability Committee oversees climate-related risks, opportunities and targets. The Audit, Finance and Risk Management Committee supports oversight of risk management, internal controls, financing and assurance. The People, Remuneration and Nomination Committee oversees remuneration structures, including climate-related measures.

The Board also reviews significant capital investments above delegated thresholds and considers strategic alignment and trade-offs, including climate-related risks and opportunities. Additional briefings are provided when required.

Management responsibility is shared across the Chief Executive Officers, Chief Financial Officer, Director Global Sustainability and External Affairs, and Director of Decarbonisation and Green Product Delivery. Teams across Sustainability, Finance, Risk, Assurance, Legal and Operations support delivery.

The Decarbonisation Steering Committee reviews strategies, decisions, capital proposals and program progress before escalation. Oversight is integrated into existing business planning, budgeting, risk review, investment approval, operational review, disclosure and assurance processes.

Climate-related measures have been included in the Long-Term Incentive Plan since FY21 and in the Executive and Senior Staff Incentive Plan and Staff Incentive Plan since FY24. In FY26, they represent [33.3 per cent] of the Staff Incentive Plan, [32.5 per cent] of the Executive and Senior Staff Incentive Plan for the Chief Executive Officers, [28.8 per cent] for other key management personnel and 20.8 per cent of the FY24 Long-Term Incentive Plan vesting at the end of FY26. Information on executive and employee remuneration measures and targets linked to emissions reduction and our broader energy transition strategy is described in the section titled Climate-related Disclosures in the Remuneration Report located in the FY26 Annual Report.

Climate measures apply across employee groups. The measures cover decarbonisation milestones, advanced technology, metals diversification, Green Iron and Energy research, and Fortescue Capital. The People, Remuneration and Nomination Committee reviews their use, weighting and design each

year, considering business goals, shareholder feedback and market practice.

Safeguard Mechanism and NGER obligations, and our position on carbon credits, are disclosed in Climate Statements included in our FY26 Annual Report. The AASB S2 transition plan disclosure is included in *Strategy*. This document is the voluntary companion plan.

The content map in the Back Matter section allows readers to trace substantive changes to the Climate Transition Plan from year to year. Advocacy priorities and industry memberships are reviewed annually, and the Industry Associations Report publishes the membership alignment assessment.

Integration and Project Controls teams, the Steering Committee and working groups oversee delivery. Dependencies are reviewed through the risk management process and reported through established governance channels.

If delivery moves off plan, quarterly Board reporting, risk review and delivery-linked remuneration provide escalation mechanisms. Material deviations and management responses will be reported in the next annual cycle.



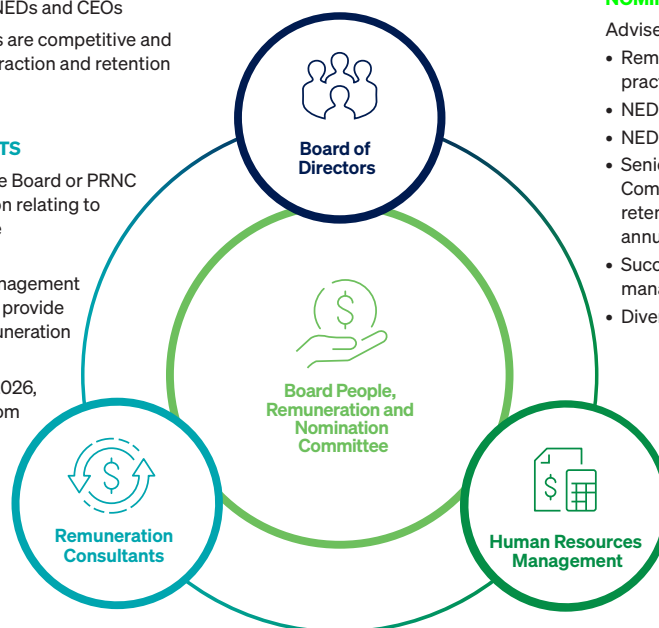
BOARD OF DIRECTORS

- Approve the remuneration of NEDs and CEOs
- Ensure remuneration practices are competitive and strategic and align with the attraction and retention policies of the Company.

REMUNERATION CONSULTANTS

- May be engaged directly by the Board or PRNC to provide advice or information relating to KMP that is free from influence of management
- Will be engaged directly by management other than in respect of KMP to provide data to ensure Fortescue's remuneration position remains competitive.

During the year ended 30 June 2026, the Committee sought advice from remuneration consultants from time to time for remuneration advisory services. This did not involve providing the PRNC with any remuneration recommendations as defined by the Corporations Act 2001.

**BOARD PEOPLE, REMUNERATION AND NOMINATION COMMITTEE**

Advise the Board on:

- Remuneration strategy, policies and practices
- NED and senior executive remuneration
- NED and Committee member appointments
- Senior executive recruitment and the Company's recruitment, ESSIP, LTIP, retention and termination policies and annual performance reviews
- Succession planning and talent management
- Diversity strategy and gender pay equity.

HUMAN RESOURCES MANAGEMENT

- Implementation of remuneration policies and practices
- Advise the PRNC of changing statutory and market conditions
- Provide relevant information to the PRNC to assist with decisions.



BACK MATTER

CONTINUITY STATEMENT

This plan restructures our FY25 Climate Transition Plan around three priorities. Commitments, targets and emissions disclosures are retained unless a change is identified. The table below maps FY25 content to the corresponding sections of this plan or, where applicable, the Climate Statements included in our FY26 Annual Report. Targets and quantitative information presented in this plan are consistent with the Climate Statements included in our FY26 Annual Report.

The content map helps readers distinguish changes in structure or presentation from substantive changes. It provides traceability from the FY25 plan to the FY26 Climate Transition Plan and the Climate Statements included in our FY26 Annual Report.

Three principles support continuity. First, targets and quantitative information must be consistent with the Climate Statements included in our FY26 Annual Report. Second, a substantive change is a change to a commitment, target, baseline, date or method; reorganising or condensing content is not, by itself, a substantive change. Third, substantive changes are identified where they occur and recorded in the content map, where applicable.

Content map

Priority	Purpose	TPT elements	AASB S2 link
Unlock Value Through Decarbonisation	Set out the commercial case, growth opportunities, targets, delivery pathways and progress.	Foundations, incl. strategic ambition; Implementation Strategy, incl. business operations, products and services, financial planning and policy dependencies; Metrics and Targets.	Strategy, incl. the transition plan, mitigation efforts, plans to achieve climate-related targets; Metrics and Targets.
Deliver Business Resilience	Identify climate-related risks and opportunities and assess the resilience of Fortescue's strategy and business model.	Foundations, incl. strategic ambitions, business model and value-chain implications, key assumptions and external factors.	Strategy, incl. climate-related risks and opportunities; financial effects; climate resilience and scenario analysis.
Catalyse Action	Set out action required from other stakeholders to accelerate industrial decarbonisation, while supporting a Just Transition and accountable delivery.	Engagement strategy; Governance.	Governance; climate-related remuneration.

The table below follows the FY25 plan's structure and identifies where the corresponding content is addressed in the FY26 Climate Transition Plan.

2025 section and pages	2026 location	Treatment in FY26
Opening Statement (pp. 4 to 7)	Opening Statement; How to Read This Plan	Retained and reorganised
Foreword (pp. 8 to 9)	Foreword	Retained as a section
Ambition: Strategic Ambition (pp. 12 to 25)	Unlock Value Through Decarbonisation; Deliver Business Resilience; Catalyse Action	Retained and reorganised around the three priorities
Ambition: Business model and value chain (pp. 26 to 27)	Who We Are; Unlock Value Through Decarbonisation; Growth	Retained in summary and reorganised
Ambition: Key assumptions and external factors (pp. 28 to 31)	The Commercial Case; Challenges and Lessons Learnt; Deliver Business Resilience; Catalyse Action	Reorganised and integrated throughout; not retained as a standalone section
Implementation: Business operations (pp. 32 to 41)	Scope 1 and 2 Emissions; Scope 3 Emissions; Growth	Reorganised and updated
Implementation: Just Transition approach (pp. 42 to 47)	Just Transition	Retained and condensed
Implementation: Products and services (pp. 48 to 49)	Iron and Steelmaking Pathways; Markets and Demand; Fortescue Zero; Critical Minerals	Partly retained and reorganised
Implementation: Policies and conditions (pp. 50 to 53)	Deliver Business Resilience; Catalyse Action; Governance and Accountability	Partly retained and distributed across the plan
Implementation: Financial planning (pp. 54 to 55)	The Commercial Case; Climate Risks and Opportunities	Retained in summary, with reference to Climate Statements included in FY26 Annual Report
Engagement: Engagement with value chain (pp. 56 to 63)	Scope 3 Emissions; Growth; Catalyse Action	Retained and reorganised
Engagement: Engagement with industry (pp. 64 to 65)	Catalyse Action	Retained and reorganised
Engagement: Engagement with government, public sector, communities and civil society (pp. 66 to 69)	Catalyse Action; Just Transition	Partly retained and reorganised
Metrics and targets: GHG metrics, emissions, progress, carbon credits (pp. 70 to 75)	Scope 1 and 2 Emissions; Scope 3 Emissions	Retained and reorganised by target
Metrics and targets: Financial metrics and targets (p. 76)	The Commercial Case; Deliver Business Resilience	Retained with reference to Climate Statements included in FY26 Annual Report
Metrics and targets: Governance, business and operational metrics (pp. 77 to 79)	Scope 1 and 2 Emissions; Scope 3 Emissions; Deliver Business Resilience	Not retained as a standalone section; selected information is included elsewhere in the FY26 reporting suite
Accountability: Governance (pp. 80 to 85)	Governance and Accountability	Retained and condensed, with reference to Climate Statements included in FY26 Annual Report
Target definitions (p. 86)	Scope 1 and 2 Emissions; Scope 3 Emissions	Retained and relocated into the relevant target disclosures
Other definitions (p. 87)	Defined Terms	Retained

DISCLAIMER

Our report contains certain statements which may constitute “forward-looking statements”. Words that may indicate a forward-looking statement include words such as “intend”, “aim”, “ambition”, “commitment”, “aspiration”, “project”, “anticipate”, “likely”, “estimate”, “plan”, “believes”, “expects”, “may”, “should”, “could”, “will”, “forecast”, “target”, “goal”, “set to” or similar expressions.

Examples of forward-looking statements include: our projected and expected production and performance levels; our plans for major projects including investment decisions; our expectations regarding future demand for certain commodities; the assumptions and conclusions in our climate change related statements and strategies; and our plan to achieve our Real Zero Target as described in this report.

Any forward-looking statements in this report reflect the expectations held at the date of this document. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual decisions, results, values, achievements or performance to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements are based on assumptions regarding Fortescue’s present and future business strategies and the future conditions in which Fortescue expects to operate. Forward-looking statements are also based on management’s current expectations and reflect judgements, assumptions and information available as at the date of this report. Actual and future events may vary materially from the forward-looking statements made (and the conclusions and assumptions on which the forward-looking statements were based) because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations. Accordingly, they are not guarantees of future performance, outcomes or results.

Some of the various factors that could cause Fortescue’s actual results, achievements or performance to differ from those in forward-looking statements include: geopolitical and political uncertainty; trade tensions between major economies; the impacts of climate change; supply chain availability and shortages; the impacts of technological advancements including but not limited to the viability, availability, scalability and cost-effectiveness of technologies that can be used to decarbonise our business; our ability to identify profitable solutions for the residual sources of our emissions as we work towards our Real Zero Target; our ability to profitably produce and transport minerals and/or metals extracted to applicable markets; the availability of skilled personnel to help us decarbonise and grow our businesses; new ore resource levels, including the results of exploration programmes and/or acquisitions; inadequate estimates of ore resources and reserves; our ability to successfully execute and/or realise value from acquisitions and divestments; our ability to raise sufficient funds for capital investment; disruption to strategic partnerships; damage to Fortescue’s relationships with communities and governments; labour unrest; our ability to attract and retain requisite skilled people; declines in commodity prices; adverse exchange rate movements; delays or overruns in projects; change in tax and other regulations; cybersecurity breaches; the impacts of water scarcity; natural disasters; the ongoing impacts of the COVID-19 pandemic, or other epidemic or pandemic; safety incidents and major hazard events; and changing societal and investor expectations, including those regarding environmental, social and governance considerations.

Accordingly, forward-looking statements should be read in light of the above factors, and other risks, uncertainties and assumptions disclosed in this report. Recipients should conduct independent enquiries, investigations and consider whether they require advice regarding information contained in this report. Fortescue makes no representation, guarantee, warranty or assurance, express or implied, as to the likelihood of the forward-looking statements or any outcomes expressed or implied in any forward-looking statements contained in this report being achieved or proved to be correct.

Except as required by applicable regulations or by law, Fortescue disclaims any obligation or undertaking to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

DEFINED TERMS

A

AI

Artificial Intelligence

B

BESS

Battery Energy Storage System

C

Chichester Hub

Fortescue's mining hub with two operating iron ore mines, Cloudbreak and Christmas Creek.

CO₂-e

When we refer to CO₂-e, this includes all greenhouse gas emissions, reported in the unit of million tonnes of carbon dioxide equivalent (MtCO₂-e). This is defined as the amount of CO₂ that would cause the same temperature rise, over a given time period, as an emitted amount of greenhouse gas or mixture of greenhouse gases. CO₂-e is the universal unit of measurement to indicate the aggregate carbon dioxide equivalent emissions of carbon dioxide (CO₂), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Contractors

Non-Fortescue employees, working with the Company to support specific business activities.

Corporations Act

Corporations Act 2001 of the Commonwealth of Australia.

E

Emissions

When we refer to emissions, we refer to all greenhouse gas emissions, reported in the unit of million tonnes of carbon dioxide equivalent (MtCO₂-e). This is defined as the amount of CO₂ that would cause the same temperature rise, over a given time period, as an emitted amount of greenhouse gas or mixture of greenhouse gases.

Emissions intensity

Amount of greenhouse gases emitted per unit of output.

F

Fortescue

Fortescue Ltd (ACN 002 594 872) and its subsidiaries.

FY

Refers to a financial year, end 30 June.

G

Green Ammonia

An umbrella term for ammonia produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of that ammonia, relative to conventional production pathways.

Green Electrons

An umbrella term for electricity produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of that electricity, relative to conventional production pathways.

Green Grid

Fortescue's owned and operated power system integrating solar and wind generation, battery energy storage, firming capability and high-voltage transmission infrastructure to provide reliable power to our Pilbara operations and electrified mobile fleet, with the potential to supply third parties.

Green Hydrogen

An umbrella term for hydrogen produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of that hydrogen, relative to conventional production pathways.

Green Iron

Iron or iron-bearing metallic products produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of those products, relative to conventional ironmaking pathways.

Green Metal and Green Metals

An umbrella term for metals produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of those metals, relative to conventional production pathways.

Green Steel

An umbrella term for steel produced using pathways designed to achieve substantial reductions in greenhouse gas emissions arising from the production of that steel, relative to conventional production pathways.

H

HME

Heavy Mining Equipment, includes large machinery used for the extraction, transportation, and processing of iron ore, such as diggers, excavators, haul trucks and drilling units.

Hematite

An iron ore compound with an average iron content of between 57 per cent and 63 per cent Fe. Hematite deposits are typically large, close to the surface and mined via open pits.

I

IPCC

Intergovernmental Panel on Climate Change, a United Nations body that assesses the science related to climate change, providing policymakers with regular scientific assessments and guidance on climate-related issues.

M

Magnetite

An iron ore compound that is typically a lower grade ore than hematite iron ore because of a lower iron content. Magnetite ore requires significant beneficiation to form a saleable concentrate. After beneficiation, Magnetite ore can be pelletised for direct use as a high-grade raw material for steel production.

Mt

Million tonnes.

MW

Mega watt, or 1,000,000 watts.

MWh

Mega watt hours

O

OPF

Ore Processing Facility.

P

Pilbara

The Pilbara region in the north-west of Western Australia.

Pilbara Decarbonisation Program

The projects associated with meeting our Real Zero Target.

R

Real Zero

Fortescue advocates for businesses to adopt a “Real Zero” approach to reducing their emissions instead of “Net Zero”. Put simply, this means eliminating the use of fossil fuels and not relying on offsets (unless required to do so by law), or carbon capture and storage. This is distinct from Fortescue’s specific emissions reduction target, referred to as the “Real Zero Target” and defined separately below.

Real Zero Target

We use this term (Real Zero Target) to refer to Fortescue’s target to eliminate Scope 1 and 2 emissions from our Australian terrestrial iron ore operations in the Pilbara by the end of 2030. Our commitment is to eliminate emissions equivalent to Fortescue’s equity share in our joint venture partnerships. We are also working with our joint venture partners to encourage the elimination of emissions equivalent to their equity shares in those joint ventures. Further detail on our plan to meet this target, and the risks and dependencies associated with achieving it, can be found throughout this report. For the purpose of this target, “terrestrial” means that Scope 1 shipping emissions are excluded. These emissions are addressed through our Shipping Target.

S

Scope 1 emissions

Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the company.

Scope 2 emissions

Scope 2 emissions are indirect greenhouse gas emissions from purchased or acquired electricity, steam, heat and cooling consumed by the company.

Scope 3 emissions

Scope 3 emissions are all other indirect greenhouse gas emissions, not included in Scope 2, that occur in the company’s value chain, including both upstream and downstream emissions.

Solomon Hub

A mining hub with Firetail, Kings Valley and Queens Valley mines.

V

VLOCs

Very Large Ore Carriers.

W

Western Hub

The Western Hub includes the Firetail, Kings and Queens, Eliwana and Flying Fish deposits.

Z

Zero emissions

Zero emissions when used in relation to vehicles, mining equipment or power systems means that (a) a vehicle’s exhaust, or mining equipment or power system, only emits water vapour when in operation; or (b) if the vehicle, mining equipment or power system is 100 per cent battery powered then it does not emit any exhaust emissions.





