



Supplier information pack: greenhouse gas emissions

We are Fortescue

CONTRACTS AND PROCUREMENT
FY25

OUR VALUES



Family

Empowerment

Frugality

Stretch Targets

Integrity

Enthusiasm

Safety

Courage and Determination

Generating Ideas

Humility



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Purpose



Fortescue is committed to achieving Real Zero Scope 1 and 2 emissions for our Australian terrestrial iron ore operations by 2030 and Net Zero Scope 3 emissions by 2040.

It is important for us to build strong partnerships based on shared values, including a **commitment to reducing greenhouse gas emissions (GHGs)** in partnership with our suppliers.

This pack provides basic knowledge and resources to help suppliers better understand GHGs, their emissions impact, how they can start reducing emissions and business benefits for reducing them.



What are greenhouse gases?

Video: introduction to climate change





There are different ways to calculate emissions depending on who is responsible for creating them

What are Scope 1, 2 and 3 emissions?



- **Scope 1** are direct emissions from sources owned or controlled by an entity.
- **Scope 2** are indirect emissions associated with the production of electricity, heat, or steam purchased by an entity.
- **Scope 3** are all other indirect emissions associated with activities or facilities not owned or controlled by the entity, including both upstream and downstream emissions.
 - **Upstream emissions** are emissions that occur during the production and supply chain phase before the product reaches the consumer such as emissions associated with extraction, production and transportation of a purchased product.
 - **Downstream emissions** are emissions associated with a product's use, disposal and treatment after it leaves the reporting entity.

Scope 1, 2 and 3 emissions



CO₂

CH₄

N₂O

HFCs

PFCs

SF₆

REPORTED AS CARBON EQUIVALENTS CO₂e

SCOPE 2 INDIRECT



PURCHASED
ELECTRICITY

SCOPE 3 INDIRECT



LEASED
ASSETS



EMPLOYEE
COMMUTING

SCOPE 1 DIRECT



ACTIVITIES, ASSETS
AND OPERATIONS
DIRECTLY
CONTROLLED BY AN
ENTITY

SCOPE 3 INDIRECT



TRANSPORTATION &
DISTRIBUTION



PROCESSING
OF SOLD
PRODUCTS



USE OF SOLD
PRODUCTS



END OF LIFE
TREATMENT
OF SOLD
PRODUCTS



LEASED
ASSETS



FRANCHISES



INVESTMENTS



PURCHASED
GOODS &
SERVICES



CAPITAL
GOODS



FUEL AND
ENERGY
RELATED
ACTIVITIES
(NOT SCOPE 1)



TRANSPORTATION &
DISTRIBUTION



WASTE



BUSINESS
TRAVEL







UPSTREAM ACTIVITIES

ENTITY

DOWNSTREAM ACTIVITIES

Examples of Scope 1, 2 and 3



Example		Description	Fortescue's emission Scope	Supplier's emission Scope
Diesel supplied by Fortescue and used in contractors' equipment on Fortescue sites		Emissions from diesel use associated with Heavy Mobile Equipment, like vehicles, haul trucks, tracked dozers, graders, excavators that require diesel for operation.	1	Scope 1 for the contractor burning fuel on site, and Scope 3 for the manufacturer of the equipment
Waste e.g. packaging, food waste, construction, wood, rubber – processed on Fortescue sites		Emissions from waste produced and disposed of on Fortescue site (e.g. landfill) by catering services, like food waste and packaging.	1	3
Travel to perform work related activities at a Fortescue site		Emissions generated from fuel consumption during flights operated by third-party airlines, used by Fortescue contractors traveling to a Fortescue site for work.	3	3
Off-site analysis of geochemical testing on Fortescue's mineral samples		Emissions generated from conducting geochemical testing on mineral samples for Fortescue by a laboratory testing and analysis services provider at its own facilities.	3	1
Off-site consultancy services to Fortescue		Emissions generated from a professional services provider (legal, engineering, etc) delivering consultancy to Fortescue at its own office.	3	1
Off-site manufacturing of equipment for Fortescue		Emissions generated at the supplier's owned facility from the manufacturing process for equipment supplied to Fortescue.	3	1

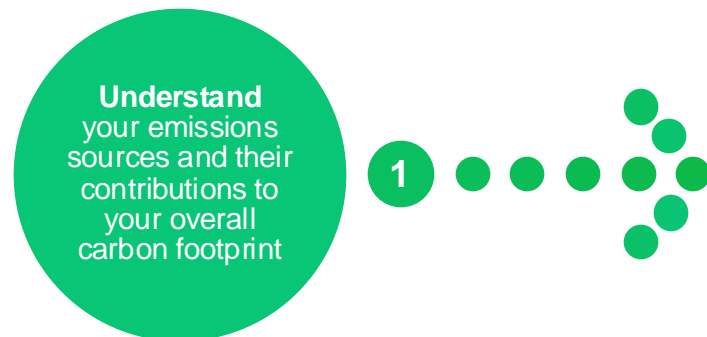


Reducing emissions in your business

How can your business benefit from reducing emissions?

- ✓ **Lower operational costs** through energy efficiency and reducing spend on fuel and electricity.
- ✓ **Risk management** by ensuring regulatory compliance, financial risk and exposure to future carbon pricing and or taxes.
- ✓ Enhanced **reputation** and **social license** to operate.
- ✓ **Market competitiveness** by positioning as a sustainable company, opening to new business opportunities and partnerships.
- ✓ **Retain and attract top talent employees** seeking align their careers with contributing to a positive impact on the planet.
- ✓ **Investor appeal** and access to **government incentives**.
- ✓ **Direct contribution** to addressing global climate change and preserving our natural resources.

How can you start reducing emissions?



Identify emission-generating activities and sources within your business and classify into the appropriate scopes.

Use simple online calculators to estimate emissions.

For example, visit the [Greenhouse Gas Protocol - Calculation Tools and Guidance](#).

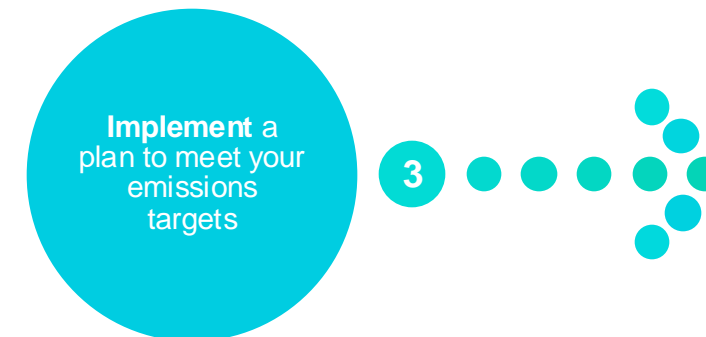


Understand your business goals, and your key suppliers and customers targets.

Identify where reductions are achievable in short and long term.

Set specific and measurable targets with a plan to reduce emissions.

Communicate your emissions targets externally and engage your employees.



Develop an internal governance approach that includes climate targets, timelines, and responsibilities.

For example, this might be in a form of a policy or a procedure.

Work with your suppliers and customers on how your targets and timelines align.

Engage your employees early by having discussions about how their roles may be impacted and explore opportunities for reskilling to support the transition.

How can you start reducing emissions?



Track your emissions and monitor the effectiveness of your actions.

Disclose your emissions and make them publicly available.



Engage your suppliers to support your emissions reduction targets.

Train your employees with skills required to meet your targets and empower change.

Provide tools and resources to help your employees and suppliers understand emissions.

Example actions to reduce your emissions



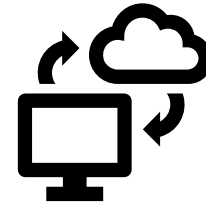
Make decarbonisation mandatory criteria in your sourcing processes



Embed climate reduction targets into employees' KPIs to drive accountability



Understand your energy consumption, identify areas of fossil fuel reliance and plan for green alternatives, such as renewable energy providers or electrified equipment



Migrate IT infrastructure to cloud services that prioritise low energy consumption and use renewable energy sources



Repair and refurbish equipment to prolong life and reduce demand for new products





Video: green energy - a solution to reduce emissions



Key international standards for emissions



These standards **are not exhaustive** and are listed to **offer guidance** for managing emissions. While they are not mandatory for working with Fortescue, they can help your company navigate and improve its emissions reduction journey.

Standard	Name	Description	Link
	ISO 14064	Sets out principles and requirements for organisations to quantify, report, and verify GHGs.	ISO 14064
	Greenhouse Gas Protocol	Establishes global international standards to measure, manage and report GHGs from an organisation's operations, value chains and products and to track progress toward emissions targets.	GHG Gas Protocol
	Science Based Targets Initiative	Helps organisations set GHG reduction targets in line with the level needed to limit global warming to below catastrophic levels, in line with the goals of the Paris Agreement.	Science Based Targets
	IFRS S2 Climate-related Disclosures	Guides entities on how to disclose climate-related risks and opportunities affecting cash flows, access to finance to help investors understand financial impacts. It integrates the recommendations of the Task Force on Climate-related Financial Disclosures.	IFRS S2 Climate - related Disclosures



THE POWER OF NOW



Start your decarbonisation journey now

- ✓ **Review** Fortescue's emissions targets and see where you can align with Fortescue's decarbonisation objectives
- ✓ **Learn** more about Fortescue's approach to reducing emissions in our Climate Transition Plan

THE POWER OF NOW



✓ For Pilbara-based contractors, **stay up to date** with our Contractor Hub by scanning the QR Code.



Resources



Contact

For more information, support, or to share your ideas, contact your Procurement Representative or Sustainable Supply Chain at:

Sustainablesupplychain@fortescue.com

Other resources

- [Learn more about Fortescue Greenhouse gas metrics and targets](#)
- [GHG Protocol tools to measure emissions](#)
- [Intergovernmental Panel on Climate Change](#)
- [Making transition plans just](#)
- [CDP - Guidance on how to measure, disclose, and manage environmental impacts and driving emission reductions](#)



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