DECISION USEFUL DIAGNOSIS 009 — FY2026

Fortescue Ltd (ASX: FMG)

Improved to not decision-useful for institutional investors, because the claims narrowed to their stated boundaries, while neither absolute target has a quantified pathway

REPORTING PERIOD	REVIEW DATE	PROTOCOL	SECTOR
FY2026	1 September 2026	Climate Disclosure Review Rules v15.23	Mining

9 / 15 overall score · sum of the five audience ratings, for ranking

5 of 19 load-bearing criteria not met. The score saturates, because a row reaches 1 on two failures and cannot go lower, so the criterion count is reported beside it. The two answer different questions: the score is how many audiences can use the disclosure, the count is how many things are wrong.

This review tests Fortescue's publicly available climate disclosure against CRI's Climate Disclosure Review Rules, which use the CRI Net Zero Standard as the reference for a credible claim together with AASB S2 Climate-related Disclosures. It reflects the information available at the review date, states what the evidence supports, what it does not, and what would resolve each open point, and says "cannot verify", not "no issue", where evidence is missing. It is general information, not legal, financial or investment advice, and not an audit or an assurance engagement. It does not allege illegality, misconduct, greenwashing or dishonesty. Organisations may contact CRI at robc@noco2.com.au to identify an error, provide relevant public information or request review of updated disclosures. See Important information at the end of this report.

Decision-usefulness at a glance

Company	Carbon / supply-chain accounting	Institutional investors	Consumer / retail investors	Consumers & public	Regulators
Fortescue Ltd (ASX: FMG)	2	1	2	2	2

How to read this report

HOW TO READ THE RATINGS

Each audience gets its own rating.

The same disclosure can be reliable for one reader and misleading for another, so we rate decision-usefulness **separately for each audience** on the three-point scale below. There is no single pass/fail verdict — decision-usefulness is a judgement about each audience, not the report as a whole.

1 **Not decision-useful**
Cannot be relied on in its current form for this reader's decision.

2 **Mostly decision useful**
Usable, with one material limitation the reader must work around.

3 **Decision-useful**
Can be relied on. A deliberately high bar.

The bar below adds the five audience ratings into an **overall score out of 15**. It is used only to rank reports against one another — it carries **no band and no verdict label**. Its colour simply reflects the mix of the five ratings: the more red, the more audiences the disclosure falls short for.



9 / 15
overall score · for ranking only

This review assesses whether the company's climate disclosure is *decision-useful*: whether a reader can actually rely on it for the decision they are making. Because a disclosure that is sound for one reader can mislead another, we score decision-usefulness **separately for each of the main audiences** that rely on climate disclosure. The audiences, and what each needs from the disclosure, are the same across all our reviews:

AUDIENCE	WHAT THEY RELY ON THE DISCLOSURE FOR
Carbon / supply-chain emissions accounting	Lifting the company's emissions figures into their own inventory. They need complete category coverage (nothing material excluded), a single reconcilable footprint, and a disclosed, transparent method. Whether a figure is estimated or supplier-specific is a maturity question, not a fault; the fault is exclusion.
Institutional investors	Pricing climate risk (physical and transition) including target credibility and whether targets are being met with real reductions, the completeness of financed / portfolio exposure, and flow-through exposure inherited from investees or counterparties whose own emissions may be growing. They can usually reconstruct detail, so they are judged on whether the true position is derivable.
Consumer / retail investors	Understanding the company's climate position and target progress without expert reconstruction. They need the headline claims to match the evidence, the material sources to be targeted, and caveats to be easy to find.
Consumers & public	Knowing whether the company's public claims are true: that it is genuinely acting rather than greenwashing, and not fuelling climate change while presenting otherwise. Headline claims matter most to this audience, which is least able to read past a buried caveat.
Regulators	Whether the disclosure is compliant, consistent across sources and audiences (does the company say one thing to one audience and something else to another), and useful across the board.

The **overall score** is simply the sum of the five audience ratings, out of 15. It has **no band and no pass/fail label**; we use it only to rank reports against one another; its colour bar reflects the mix of the five ratings (the more red, the more audiences the disclosure falls short for). §2.1 gives each audience's rating and the reason behind it; §1 covers scope and basis, §2.2–2.3 the evidence dashboard, §3 what the disclosure means for a reader, §4 the findings, §5 disclosure-risk, §6 how to fix it and §7 the conclusion; the working annexes show the rule-level derivation.

Two conventions apply throughout. A certification (including the Australian Government's Climate Active program) is treated as a claim to be tested, not as a strength in itself. Detailed disclosure and candour about a company's own gaps are the baseline expected of a credible discloser, not a credit.

---

1. Scope & basis

1.1 What we reviewed

DOCUMENT	REVIEWED?	IF MISSING, EFFECT ON THIS REVIEW
FY26 Annual Report & Appendix 4E, including the Sustainability Report: Climate Statements (folios 69 to 107)	Yes	Primary, audited evidence base; Fortescue's first mandatory climate statement
FY26 Climate Transition Plan (voluntary companion)	Yes	Supplies the FY25 comparatives and the emissions-profile panel the audited statement omits under the first-year relief
FY26 Sustainability Report (standalone)	Yes	Public-facing narrative and claim wording
FY26 ESG Databook (emissions, energy, assurance and metric-definition sheets)	Yes	Multi-year figures, the market-based Scope 2 position and the restated FY21 baseline
FY26 Full Year Results announcement	Yes	Investor-facing framing of the reporting suite
PwC assurance reports: reasonable assurance opinion on Scope 1 and Scope 2; limited assurance conclusions on governance and strategy, on Scope 3, and on Eligible Project Cumulative Spend	Yes: all four are printed in the Annual Report	Assured scope confirmed directly from the reports, including the AASB S2 subparagraphs listed as criteria

DOCUMENT	REVIEWED?	IF MISSING, EFFECT ON THIS REVIEW
Prior-period reports and data packs FY2021 to FY2025	Yes: FY25 Annual Report and ESG Databook, FY25 Climate Transition Plan, FY24 ESG Databook, FY23 Climate Change Report, FY22 ESG Databook, FY21 Sustainability Report	Multi-period series behind §3.4 and Annex K
Clean Energy Regulator NGER register	Yes: FY2024-25 (the latest published)	The FY2025-26 register is not published at the review date, so the statutory cross-check cannot be run for the reviewed year; carried as a cannot-verify item, not as a finding against Fortescue
FY26 Emissions Calculation Methodology (standalone)	Not provided	The per-category method summaries in the audited statement are unusually full, so this is a depth limitation only; emission factors and the base-year recalculation policy are not independently verified here

Documents covering FY2027 and later were not published at the review date. The audited Annual Report, including its Sustainability Report: Climate Statements, is the anchor; the Climate Transition Plan, the Sustainability Report and the ESG Databook are supporting material. Where an audited figure and a supporting source disagree, the audited figure is preferred and the difference is recorded.

1.2 Standards the company is held to or references

STANDARD / FRAMEWORK	REFERENCED BY COMPANY?	HOW STRONGLY	SECTOR MODULE(S) APPLIED
Corporations Act / Ch 2M	Yes: directors' declaration under sections 296C and 296D, signed 20 August 2026	Binding: first mandatory year FY2026; FY26 is Fortescue's first mandatory climate statement	Mining
AASB S2	Yes	In accordance with: "Prepared in accordance with", the strict formulation, with the first-year comparatives relief taken and the Scope 3 relief waived	Mining
ASIC RG 280	No: not expressly referenced	Not referenced: applies to the mandatory regime; no separate claim to test	Mining
GHG Protocol (Corporate / Scope 2 / Scope 3)	Yes: Corporate Standard, Corporate Value Chain (Scope 3) Standard, Scope 2 Guidance and Scope 3 Calculation Guidance all named	In accordance with: strong; method stated per category	Mining
PCAF (financed emissions)	Not applicable	Not applicable: not a financial institution	Not applicable
SBTi	Yes: validation stated as paused while the initiative reviews its standards, with re-initiation being assessed	Mentioned: disclosed as not validated; every target table records "Target validation by a third party: No"	Mining
Climate Active / other carbon-neutral framework	No	Not referenced: voluntary offsetting ceased in 2023; no carbon-neutral claim is made for FY26	Not applicable
Certificates (GreenPower / LGC / ACCU / REC)	Partly: Safeguard Mechanism ACCUs and SMCs are described, and 137 GWh of renewable electricity purchased appears in the data pack	Binding: ACCU and SMC use is stated as compliance-only and expressly excluded from the Real Zero Target; the electricity contracts behind the market-based figure are not described anywhere	Mining
Transition Plan Taskforce framework (structure of the voluntary plan); GLEC Framework v3.2; NGER Measurement Determination 2008	Yes	With reference to: named and used	Mining

1.3 Review basis & limitations

This is a standard review of Fortescue's FY2026 climate disclosure, run against the reviewed period and earlier only. The evidence base is unusually complete for a first mandatory year: all four assurance reports are printed in the Annual Report, every Scope 3 category carries a stated method and an evaluation status, and the voluntary Climate Transition Plan and ESG Databook fill the comparatives the audited statement omits. Two limitations bound the conclusions. The standalone FY26 Emissions Calculation Methodology was not obtained, so emission factors and the base-year recalculation policy are not independently verified. And the FY2025-26 NGER register is not yet published, so the reviewed year's figures cannot be reconciled against the statutory return; the FY2024-25 register is carried as prior-period context in the working layer only.

---

2. Verdict

2.1 Decision-usefulness by audience

2 **Carbon / supply-chain emissions accounting**
3 met · 0 partial · 1 not met

The inventory is liftable. All fifteen Scope 3 categories are quantified or carry a stated basis for being not relevant, the dominant source (customer steelmaking, 268.64 $MtCO_2e$) is quantified with its method and its regional segmentation, Scope 1 is split between the consolidated accounting group and other investees, and Scope 1 and Scope 2 carry reasonable assurance with Scope 3 at limited assurance. The categories sum to the published total. One thing holds the rating down: the market-based Scope 2 figure of 0.53 $MtCO_2e$, which is 36% **higher** than the location-based 0.39 $MtCO_2e$, appears only in the ESG Databook, and no market-based method, factor source or description of the electricity contracts behind it is published in any FY26 document. Separately, the data pack's energy table states its figures in terajoules where the values are petajoules. Estimation method is not the issue here; spend-based factors for Categories 1, 2 and 8 are the expected starting point.

`§3.1, §4.2, Annex B`

---

1 **Institutional investors**
3 met · 1 partial · 2 not met

Neither of the two absolute targets can be priced, because the pathway between today's position and either endpoint is not quantified anywhere. Real Zero is an absolute commitment to eliminate 2.72 $MtCO_2e$ by the end of 2030, and those emissions rose 4.6% in FY26 and 15.7% over two years; the company states they will not begin falling until FY28, and no year-by-year abatement quantity, no interim target and no base period is published. The Scope 3 target covers 275.64 $MtCO_2e$, is expressly **net**, and discloses no base period, no interim target in the audited statement, no associated gross target and no carbon-credit architecture, so the permitted netting over 99% of the footprint is unbounded. On achievement, the FY21 steelmaking baseline

was restated this year: on the baseline the company published a year ago, FY26 intensity is 2.2% **above** it; on the restated baseline it is 1.2% below. Physical risk is quantified to a dollar range with its inputs shown, and the customer-steelmaking dependency is quantified by product type and destination region.

§3.3, §3.4, §4.2, §5

2 **Consumer / retail investors**
2 met · 1 partial · 1 not met

Fortescue tells a retail reader plainly that its emissions rose and why, states each target's boundary in the target's own words, and prints whether each target is gross or net and whether it has been validated. What it does not do is cap the 97% of its footprint that is customer steelmaking before 2040: the only 2030 lever over that category is a 7.5% intensity target, and an intensity target does not limit absolute emissions, which rose 9.1% from FY21 to FY26. Reading the position correctly means setting 2.72 against 275.64 to see that the target carrying the "Real Zero" name covers about 1% of the footprint. The correction is co-located, in the target's own boundary wording and in the transition plan's statement that Scope 3 is about 90 times Scope 1 and 2, which is why this reads as a limitation rather than a defeat.

§3.1, §3.4, §4.2

2 **Consumers & public**
2 met · 1 partial · 0 not met

The public claims are accurate as written. There is no carbon-neutral claim, no renewable-electricity claim, no "1.5°C aligned" self-label and no assertion that any target has been achieved; each target states its own boundary. The action behind them is real and physical: US$848 million spent in FY26 within a US$6.2 billion program, 550 km of transmission built, three solar farms in construction or commissioning, 370 MWh of battery storage installed, 18 electric excavators and two battery-electric locomotives in service, and a target that eliminates emissions at source rather than buying offsets. The limitation is the composite impression: "Real Zero" is the organising name across the sustainability report, the transition plan and Fortescue's public advocacy, and it attaches to about 1% of the footprint, while the other 99% sits under a net target for 2040 whose netting is not described.

§4.1, §4.2, §5

2 **Regulators**
0 met · 1 partial · 1 not met

This is a substantial first mandatory filing: an unqualified reasonable assurance opinion on Scope 1 and Scope 2, limited assurance on governance and strategy and separately on Scope 3, Scope 3 disclosed voluntarily rather than deferred, quantified financial effects with their inputs, a disclosed internal carbon price and full scenario disclosure. Five paragraph-level gaps sit against it, four of them in the target disclosures: no base

period for the Real Zero and Scope 3 targets, no milestones or interim targets for any of the four voluntary targets, no associated gross target for the net Scope 3 target, no disclosure of the planned use of carbon credits for that net target, and no information about contractual instruments alongside the location-based Scope 2 figure, which is the one gap sitting inside the audited scope. The sources agree with each other on the FY26 figures; the restated FY21 baseline is explained in the data pack alone.

§2.3, §5.3, §4.2

What the company should fix first: publish a quantified, year-by-year abatement pathway in $MtCO_2e$ from the current 2.72 $MtCO_2e$ to zero by 2030, and an interim absolute Scope 3 cap for 2030 with the netting the 2040 target permits stated as a quantity.

2.2 Scorecard

Headline claim ↔ evidence match	●●●○○	Disclosure quality	9 / 15
Inventory completeness (Scope 1/2/3)	●●●●●	Financed-emissions completeness (if FI)	*N/A*
Target credibility	●○○○○	Real reduction vs accounting movement	●●○○○
Offset / certificate / renewable integrity	●●●○○	Assurance coverage vs claim	●●●●○
Standards / compliance confidence	*Potential compliance concern*	Comparability (like-for-like only)	*N-V*
Reader accessibility	●●●●○	Evidence limitations	*Minor*

DIMENSION	RATING	JUSTIFICATION
Headline claim ↔ evidence match	3/5	Every claim is accurate within its stated boundary and no achievement is asserted; the gap is one of proportion, not accuracy, with "Real Zero" naming a target over about 1% of the footprint.
Disclosure quality	9 / 15 overall	Per-category Scope 3 methods with named factor datasets and response rates, quantified financial effects with their inputs, full scenario tables, and four assurance reports printed in the book.
Inventory completeness (Scope 1/2/3)	5/5	All fifteen Scope 3 categories quantified or given a stated not-relevant basis; Scope 1 disaggregated between the consolidated accounting group and other investees; categories sum to the published total.
Financed-emissions completeness (if FI)	N/A	Not a financial institution.
Target credibility	1/5	Neither absolute target carries a base period, an interim milestone or a quantified pathway; the 2040 target over 99% of the footprint is net with no disclosed credit architecture and no associated gross target.

DIMENSION	RATING	JUSTIFICATION
Real reduction vs accounting movement	2/5	The whole FY26 Scope 1 increase is gas for the Iron Bridge ramp-up; the reported steelmaking intensity gain is a consultant's factor update and product mix by the company's own account; the reported position against the steelmaking baseline turns on a restatement made this year.
Offset / certificate / renewable integrity	3/5	Voluntary offsetting ceased, Safeguard units are stated as compliance-only and expressly excluded from Real Zero, and no renewable-electricity claim is made. Against that, the 2040 Scope 3 target is net with the netting undisclosed, and the contracts behind the market-based Scope 2 figure are not described.
Assurance coverage vs claim	4/5	Reasonable assurance on Scope 1 and Scope 2 and limited assurance on Scope 3 and on governance and strategy, all four reports printed with their AASB S2 criteria listed. Scope 3, at 99% of the footprint, sits at the lower level.
Standards / compliance confidence	Potential compliance concern	First mandatory year with a directors' declaration and a clean opinion, against five paragraph-level target and Scope 2 disclosure gaps set out in §2.3.
Comparability (like-for-like only)	N-V	Assessed stand-alone; no peer comparison performed.
Reader accessibility	4/5	Plain risk narrative with dollar ranges, target tables that print gross-or-net and validation status, and the emissions increase stated up front with its causes.
Evidence limitations	Minor	Standalone methodology document not obtained; the reviewed year's NGER return is not yet published.

2.3 Standards & compliance snapshot

AREA	RATING	BASIS
Corporations Act / Ch 2M	Appears broadly compliant: minor limitations	Climate statements prepared and included in the Annual Report, directors' declaration under sections 296C and 296D signed 20 August 2026, audited and reviewed by PwC.
AASB S2	Potential compliance concern	Governance, strategy, risk management, scenario analysis, financial effects and metrics are all present and substantive, and the first-year comparatives relief is properly disclosed. Five paragraph-level gaps: no base period for two of the four voluntary targets; no milestones or interim targets for any of them; no associated gross target for the net Scope 3 target; no disclosure of planned carbon-credit use for that net target; and no information about contractual instruments alongside the location-based Scope 2 figure.
ASIC RG 280	Not applicable for the period	No separate claim to test beyond the AASB S2 position above.
GHG Protocol / Scope 2 / Scope 3	Appears broadly compliant: minor limitations	Corporate, Scope 2 and Scope 3 standards named and applied per category; the Scope 2 dual-reporting position is published only in the unaudited data pack, and biogenic Scope 1 is considered but not quantified.
PCAF / financed emissions	Not applicable for the period	Not a financial institution.
Carbon-neutral / net-zero framework	Cannot verify: material evidence missing	The 2040 Scope 3 target is expressly net; the extent of reliance on carbon credits, the crediting schemes, the credit types and the permanence assumptions are not disclosed.
Certificates / credits	No apparent issue	Safeguard Mechanism compliance requirement of about 0.3 $MtCO_2e$ stated, units described as acquired and surrendered for compliance only and expressly not used for the Real Zero Target.
Other company-referenced framework	No apparent issue	Transition Plan Taskforce structure and GLEC Framework v3.2 named and applied; the voluntary plan carries an external peer-review foreword, which is not an assurance engagement and is not target validation.

3. What this means for a reader

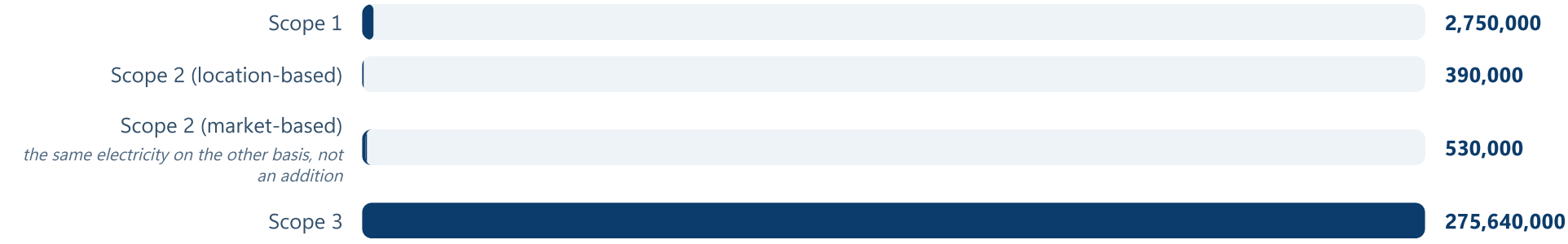
3.1 What is counted / not counted

Reporting basis: Fortescue Ltd and its consolidated accounting group, operational control, for the year ended 30 June 2026. All figures below are the reviewed year. Materiality shares are taken from the FY26 composition itself. The two Scope 2 rows measure the same electricity on two bases and are never added; only the location-based figure enters a Scope 1 and 2 total.

Emissions composition

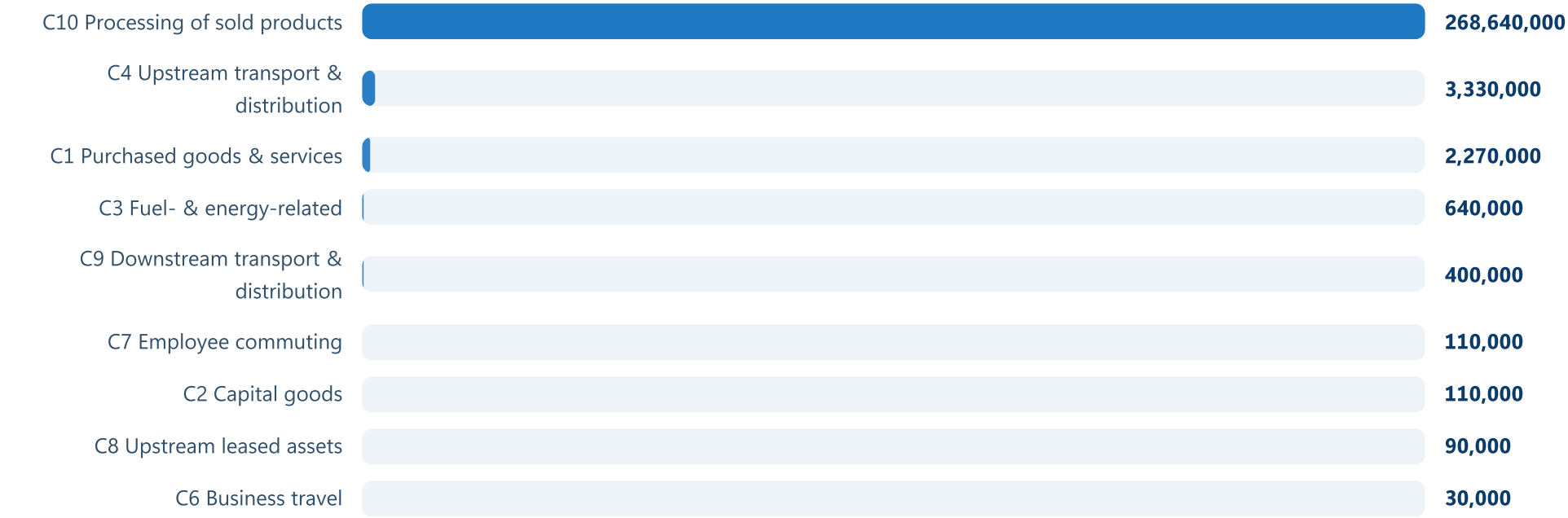
Values as reported (tCO_2e). Bars are independent magnitudes, not a stack. Scope 2 is shown on both bases: they measure the same electricity two ways and are alternatives, not additions, so they are never added together.

Source: FY26 Annual Report, Sustainability Report: Climate Statements folio 92 (Scope 1, Scope 2 location-based, Scope 3, FY26); FY26 ESG Databook, Climate (Emissions) sheet (Scope 2 market-based, FY26). The two Scope 2 bases measure the same electricity and are not additive.



Scope 3 by category (largest first)

Source: FY26 Annual Report, Notes to the Sustainability Report: Climate Statements, Note 5, folios 100 to 102 (Scope 3 by category, FY26); cross-checked to the FY26 ESG Databook, Climate (Emissions) sheet.



C5 Waste	**20,000**
C13 Downstream leased assets	**3,000**

What is counted

Every scope and Scope 3 category, coloured by inclusion status. Values as reported. A tile shown in brackets is counted but not additive: it either sits inside another line's total, or it is the same emissions measured on the other Scope 2 basis. The values shown do not add up to the reported total.

Source: FY26 Annual Report, Sustainability Report: Climate Statements folio 92 and Note 5 folios 99 to 102; FY26 ESG Databook, Climate (Emissions) sheet.



SCOPE / CATEGORY	STATUS	QUANTIFIED (tCO_2E)	MATERIAL?	NOTE
Scope 1: combustion / fugitive / fleet	Reported	2,750,000	Yes: 1.0% of the footprint	Diesel, natural gas at Solomon Power Station and owned very large ore carriers; 2,690,000 consolidated accounting group and 50,000 other investees. Reasonable assurance.
Scope 2: electricity (location-based)	Reported	390,000	Yes: 0.1%	Invoice data, under 1% estimated on NABERS benchmarks. Reasonable assurance. Not additive with the row below.
Scope 2: electricity (market-based)	Reported	530,000	Not applicable: same electricity, market-based measure	Published in the ESG Databook only; absent from the Annual Report, the transition plan and the sustainability report. No method, factor source or contractual-instrument description is published. 36% higher than location-based; the cause of the gap is not disclosed.
Scope 3 C1 Purchased goods & services	Reported	2,270,000	Yes: 0.8%	Spend-based, Climatiq datasets (EXIOBASE and CEDA), inflation-adjusted on US CPI.
Scope 3 C2 Capital goods	Reported	110,000	No: minor	Same spend-based method.
Scope 3 C3 Fuel- & energy-related	Reported	640,000	No: minor	National Greenhouse Accounts upstream factors; well-to-tank for owned vessels via GLEC v3.2.
Scope 3 C4 Upstream transport & distribution	Reported	3,330,000	Yes: 1.2%	Cost-and-freight shipping; fuel-based method, over 95% response rate; 9% of the category is spend-based.
Scope 3 C5 Waste	Reported	20,000	No: minor	Waste-type specific method.
Scope 3 C6 Business travel	Reported	30,000	No: minor	Distance-based from travel providers.
Scope 3 C7 Employee commuting	Reported	110,000	No: minor	Includes fly-in fly-out charter and commercial flights and working from home.
Scope 3 C8 Upstream leased assets	Reported	90,000	No: minor	Spend-based.
Scope 3 C9 Downstream transport & distribution	Reported	400,000	No: minor	Free-on-board shipping arranged by customers; laden and ballast legs both included, which the company notes may overstate by under 1%.
Scope 3 C10 Processing of sold products	Reported	268,640,000	Yes: 96.4% of the footprint	Customer steelmaking. Average-data method on CRU regional emission factors by product type and destination. Limited assurance.
Scope 3 C11 Use of sold products	Not relevant	Not applicable	No	Stated basis: Fortescue sold only intermediate products in FY26.
Scope 3 C12 End-of-life of sold products	Not relevant	Not applicable	No	Same stated basis.
Scope 3 C13 Downstream leased assets	Reported	3,000	No	Lessee electricity consumption collected directly.
Scope 3 C14 Franchises	Not relevant	Not applicable	No	Stated basis: no franchise operations.
Scope 3 C15 Investments	Not relevant	Not applicable	No	Stated basis: assessed immaterial in FY26. Equity-accounted investee operational emissions are separately bounded at 60,000 t across Scope 1 and Scope 2.
Biogenic Scope 1 (land clearing)	Partial	Not disclosed	Cannot verify	Expressly considered; no quantitative figure reported while the applicability of the Land Sector and Removals Standard is assessed.

Total footprint on the reviewed year: 278.77 $MtCO_2e$ (Scope 1 and 2 location-based 3.13 Mt, Scope 3 275.64 Mt).

3.2 Financed-emissions detail (financial institutions)

N/A, not a financial institution.

3.3 Real reduction vs accounting movement

REPORTED CHANGE	DRIVER	REAL-WORLD REDUCTION?
Scope 1 rose 2.64 → 2.75 $MtCO_2e$ (+4.2%)	Activity: natural gas at Solomon Power Station rose 8.42 → 10.87 PJ for the Iron Bridge ramp-up, which adds about 0.126 Mt at the national measurement factors; diesel fell 680.75 → 674.29 million litres, which removes about 0.018 Mt. The two reconcile to the reported +0.11 Mt.	**Increase**: the whole of the increase is gas, and it is fossil-fuel switching in the wrong direction; the small diesel fall is the only movement running the other way.
Scope 2 location-based rose 0.38 → 0.39 $MtCO_2e$ (+2.6%)	Activity: purchased electricity rose 791.86 → 800.19 GWh on a broadly unchanged grid factor.	**Increase**: volume growth.
Scope 2 market-based rose 0.52 → 0.53 $MtCO_2e$	**Cannot** verify: not derivable. No market-based method or factor source is published, and renewable electricity purchased fell 145.15 → 137.01 GWh while total purchases rose.	Cannot verify: the method behind the figure is not disclosed.
Scope 1 and 2 covered by the Real Zero Target rose 2.60 → 2.72 $MtCO_2e$ (+4.6%), and 2.35 → 2.72 Mt (+15.7%) over two years	Activity: ore shipped up 1.5%, gas consumption for the Iron Bridge ramp-up, and higher total material movement, all three stated by the company.	**Increase**: the company states the covered emissions will not begin falling until FY28.
Steelmaking intensity fell 1.357 → 1.334 $MtCO_2e$/Mt (−1.67%)	**Mixed**: the company attributes it to three things: CRU updating the emission factors applied to Fortescue's product to reflect steel-mill improvements; a higher share of Iron Bridge concentrate and lump in the sales mix; partly offset by more low-grade fines.	**Partly**: mostly not Fortescue's own action. The first driver is a consultant's revision of a third-party factor, the second is product mix, and neither is abatement Fortescue delivered.
Steelmaking intensity reported 1.2% below the FY21 baseline	**Method** or factor: the FY21 baseline was restated this year from 1.31 to 1.35 $MtCO_2e$/Mt. Against the baseline published a year earlier, FY26 sits 2.2% **above** it.	**No**: the reported direction of travel against the baseline turns on the restatement, not on the metric.
Shipping intensity reported 15% below the FY21 baseline	**Mixed**: lower-emission vessel chartering, eco steaming, voyage optimisation and energy-saving devices, against a baseline calculated on voyage distance where the current years use fuel consumption.	**Partly**: partly real, and the company discloses that the baseline is not calculated on the same activity basis, so the size of the real component cannot be separated.
Absolute Scope 3 essentially flat, 275.94 → 275.64 $MtCO_2e$ (−0.11%)	**Mixed**: Category 10 fell 0.56 Mt on the factor and mix effects above while Category 4 rose 0.26 Mt on shipping volume.	**No**: movement within the noise on a rising shipment base.
Total energy consumption rose 42.89 → 45.27 PJ (+5.5%)	Activity: gas and diesel volume growth; self-generated renewable electricity rose 0.65 → 0.85 PJ (180 → 236 GWh).	**Increase**: renewable self-generation is real and growing, and it is 1.9% of energy consumed.

3.4 Trajectory over time

Across FY2021 to FY2026 Fortescue's absolute footprint has grown in every scope while the framing points to elimination. Scope 1 rose 2.40 → 2.75 $MtCO_2e$, up 14.6%, and did so unevenly: it fell to FY23 before climbing on the Iron Bridge ramp-up, and the last three years are a straight rise. Location-based Scope 2 rose 0.16 → 0.39 Mt, up 144%. Customer steelmaking rose 242.83 → 268.64 Mt, up 10.6%, and total Scope 3 247.06 → 275.64 Mt, up 11.6%. The direction of travel is volume growth, not abatement; the only line moving the right way is self-generated renewable electricity, which went from nothing before FY25 to 236 GWh. Two things changed in the reporting itself this year and both matter. The FY21 steelmaking baseline was restated upward, which is what turns a metric sitting above its baseline into one reported below it, and the restatement is explained in the data pack alone while the Annual Report and the transition plan print the new number without comment. And the audited statement shows a

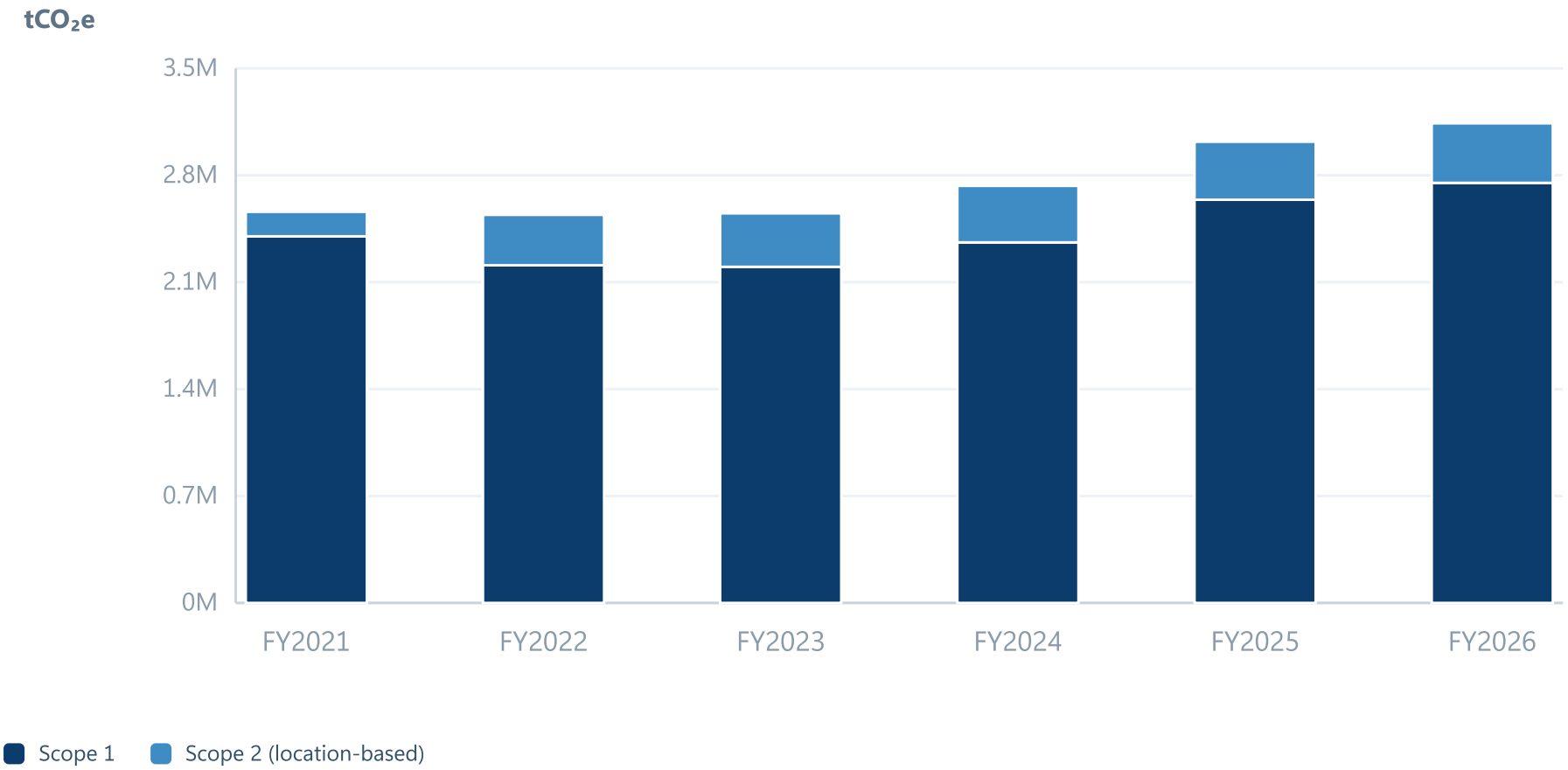
single year, because the first-year relief from comparatives was properly taken; the FY25 figures are in the voluntary transition plan instead, so a reader who stops at the audited book cannot see the trend at all. Three FY25 gaps closed: every Scope 3 category now carries a stated basis, the "1.5°C aligned" self-label is gone, and no target is described as validated.

Metrics over time

Trajectory over time

Reported operational emissions by scope, stacked, in tCO_2e per reporting year.

Source: Scope 1 and Scope 2 location-based only, Group basis. Scope 3 is about 88 times larger and is charted separately in the composition view; it is excluded here because a stacked series would render the operational trend invisible. Sources: FY22 ESG Databook Planet sheet; FY23 Climate Change Report comparative table; FY25 ESG Databook Climate (Emissions); FY26 Annual Report folio 92.



METRIC	FY2021	FY2023	FY2025	FY2026	MOVEMENT	DRIVER	NOTE
Scope 1 ($MtCO_2e$)	2.40	2.20	2.64	2.75	Mixed: fell to FY2023, then rose; +14.6% over the series	Activity: volume and fuel switching to gas	FY2022 2.21, FY2024 2.36
Scope 2 location-based ($MtCO_2e$)	0.16	0.35	0.38	0.39	Up: 144% since FY2021	Activity: grid electricity volume	FY2022 0.33, FY2024 0.37
Scope 2 market-based ($MtCO_2e$)	Not disclosed	0.54	0.52	0.53	Flat: broadly flat, and above location-based throughout	**Cannot** verify: no method published	Data pack only in every year. Measures the same electricity as the row above; the two are not additive (see F-11)
Scope 3 total ($MtCO_2e$)	247.06	267.61	275.94	275.64	Up: 11.6% since FY2021	Activity: shipment volume	FY2025 restated from 275.88 on a Category 3 correction
Emissions intensity (Group Scope 1 and 2 location-based, tCO_2e/wmt of ore shipped)	Not disclosed	Not disclosed	0.015	Not disclosed	Dropped: published for FY2025, not in the FY2026 suite	Not applicable	FY2025 Annual Report (0.014 → 0.015, +7.1%). The FY2026 Databook's GRI index points "GHG emissions intensity" to the Climate Statements and the Climate Transition Plan; both carry only the steelmaking and shipping intensities. The FY2026 suite publishes the steelmaking and shipping intensities (rows below) and an energy intensity
Renewable electricity (% of consumption)	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not applicable	No percentage is published. Renewable share of purchased electricity 18.3% → 17.1% (FY2025 to FY2026) on the data pack's GWh figures; see the purchased-renewable row below
Certificates and offsets retired ($MtCO_2e$)	0.20	0.34	0	0	Mixed: rose to FY2023, nil since voluntary offsetting ceased in 2023	Not applicable	Voluntary offsets. FY2025 and FY2026 compliance only: about 0.3 Mt of Safeguard units in FY2026, expressly excluded from the Real Zero Target and not counted here
Customer steelmaking, Category 10 ($MtCO_2e$)	242.83	261.46	269.20	268.64	Up: 10.6% since FY2021	Activity: shipment volume	96.4% of the footprint (see F-9)
Steelmaking intensity ($MtCO_2e$/Mt)	1.35	1.361	1.357	1.334	Mixed: falling within the current series; above or below the FY2021 baseline depending on which baseline	**Mixed**: factor update and product mix	FY2021 as restated in FY2026; 1.31 as published to FY2025 (see F-8)
Shipping intensity ($MtCO_2e$/Mt)	0.022	0.016	0.019	0.019	Not comparable: FY2021 baseline on a different activity basis; flat for three years against a 50% reduction target for 2030	**Mixed**: chartering policy and eco steaming, on a baseline computed on a different activity basis	Baseline ore-shipped figure also restated
Renewable electricity purchased (GWh)	0.7	131.01	145.15	137.01	Not comparable: FY2021 not on a comparable basis; rose FY2023 to FY2025, then fell in FY2026 while total purchases rose	**Certificates**: contractual	Share of purchased electricity 18.3% → 17.1%. FY2023 is the corrected figure in the FY24 ESG Databook (145.7 as first published in the FY23 Climate Change Report)

Targets and claims over time

TARGET OR CLAIM	AS FIRST STATED (PERIOD)	AS STATED FOR FY2026	CHANGE	EXPLAINED?	NOTE
Real Zero Target (Scope 1 and 2, Australian terrestrial iron ore, by the end of 2030)	Net Scope 1 and 2 to zero by 2030 (FY2021)	Real Zero from 2022, Australian terrestrial iron ore, gross; retained unchanged in FY2026	**Strengthened**; Rebased: net reframed as gross, base 2022; unchanged this year	Partly: the reframing is described; no base period is disclosed	Covered emissions rose 2.60 → 2.72 $MtCO_2e$ (+4.6%), and the company states they will not begin falling until FY28 (see F-6, F-14)
Net zero Scope 3 by 2040	Net zero Scope 3 by 2040 (FY2021)	Retained; recorded as a net target over 275.64 $MtCO_2e$, with no associated gross target	Unchanged	Not applicable	See F-7

TARGET OR CLAIM	AS FIRST STATED (PERIOD)	AS STATED FOR FY2026	CHANGE	EXPLAINED?	NOTE
Steelmaking intensity target (7.5% by 2030 against FY21)	7.5% reduction in steelmaking emissions intensity by 2030 against FY21 (FY2023; earliest source checked)	Retained; FY21 baseline restated 1.31 → 1.35 $MtCO_2e/Mt$	**Rebased**: FY21 baseline restated in FY2026	Partly: the fact of the correction is in the data pack only, with no components	Reported progress reverses sign on the restatement (see F-8, F-19)
Shipping intensity target (50% by 2030 against FY21)	50% by 2030 against FY21 (first-stated period not recorded in this review)	Retained; baseline ore-shipped figure also restated	**Rebased**: baseline restated	Cannot verify	Flat at 0.019 for three years
Carbon-neutral and net-zero claims	Net operational target (FY2021)	No neutrality claim; no renewable-electricity claim; no "1.5°C aligned" self-label	Withdrawn: claim set narrowed and made more accurate	Cannot verify	An improvement against the company's own prior disclosure. No target weakened, retired or re-dated this year
SBTi validation	Validation sought (FY2021)	Validation stated as paused while the initiative reviews its standards; "Target validation by a third party: No" in every target table	**Weakened**: validation paused	Yes: the pause and the absence of validation are stated	The SBTi position is stated accurately

4. Findings

4.1 What stands up (genuine / qualified positives)

▲ F–1

The Real Zero Target eliminates emissions at source rather than neutralising them: it is absolute and gross, voluntary offsetting ceased in 2023, and Safeguard Mechanism units are stated to be acquired and surrendered for legal compliance only and expressly not used to meet the target.

WHY IT MATTERS

A gross elimination target cannot be met by buying anything. It commits capital to physical change, and it removes the reader's usual problem of telling abatement from purchased neutralisation.

QUALIFICATION (IF ANY)

It governs 2.72 $MtCO_2e$, about 1% of the footprint. The target covering the other 99% is expressly net, and the netting it permits is not quantified.

▲ F–2

The decarbonisation program is deployed capital, not intention: US$848 million spent in FY26 within a US$6.2 billion commitment, with a further US$680 million approved during the year, against 550 km of transmission built, a 190 MW solar farm approaching commissioning and two more in construction, 370 MWh of battery storage installed, 18 electric excavators and two battery-electric locomotives in service.

WHY IT MATTERS

Physical assets in the ground are the one form of evidence a reader cannot restate. The FY27 and FY31 milestones are stated as equipment counts and commissioning dates, which are checkable next year.

QUALIFICATION (IF ANY)

The emissions the program targets rose 4.6% in the year and are stated not to fall until FY28, and no quantity of abatement is attached to any milestone.

▲ F–3

The physical-risk assessment is quantified to a financial effect with its inputs shown: about seven additional days of average annual effective downtime by 2050 under the high-emissions pathway, converted at a stated 0.55 Mt daily shipment rate and a US$91 per dry metric tonne realised price to a US$100 million to US$500 million range, with the scenarios, the downscaling approach and the treatment of low-probability events all disclosed.

WHY IT MATTERS

An investor can re-run the arithmetic and substitute their own price and volume assumptions. Most physical-risk disclosure cannot be interrogated at all.

QUALIFICATION (IF ANY)

The assessment covers the Pilbara iron ore value chain only, and chronic hazards are stated as not yet incorporated.

▲ F–4

Every Scope 3 category is either quantified or given a stated reason for being not relevant, and the dominant one is modelled at the level of product type and destination region by an independent consultancy whose method is described.

WHY IT MATTERS

A supply-chain accountant can lift the figures and see exactly what sits behind the number that matters. The customer dependency is the hardest thing for a miner to quantify, and it is the best-quantified part of this disclosure.

QUALIFICATION (IF ANY)

Category 10 carries limited rather than reasonable assurance, and the estimate depends on a third party's factors, which is also what drove this year's reported intensity movement.

▲ F–5

Scope 3 was disclosed in full in the first mandatory year, when the standard permitted it to be omitted entirely, and the transition plan states that Scope 3 is about 90 times Scope 1 and 2.

WHY IT MATTERS

Deferring Scope 3 was available and would have removed 99% of the footprint from the audited book. Publishing it, and publishing the ratio, is what makes the rest of this report possible for a reader.

QUALIFICATION (IF ANY)

The disclosure is complete; the targets over it are not, which is the subject of the findings below.

4.2 What does not stand up (negatives)

▼ F–6

There is no quantified pathway from 2.72 $MtCO_2e$ to zero. The Real Zero Target is absolute and four years from its date; the covered emissions rose 4.6% this year and 15.7% over two years; the company states they will not begin falling until FY28; and no year-by-year abatement quantity, no interim target and no base period is published in any document. The transition plan states that emissions will fall "as complete systems are commissioned and deployed, rather than at a uniform rate each year", and its last mobile-equipment milestone is FY31, which a reader cannot place inside or outside a target period stated as "the end of 2030".

WHY IT MATTERS TO A READER

An absolute target with a rising base, no interim point and no abatement quantities cannot be tested by anyone until the year it falls due. A reader is asked to take the endpoint on trust.

WHAT WOULD FIX IT

A pathway in $MtCO_2e$ by year to 2030, with the abatement attributed to each lever, a base period, and a statement of whether "the end of 2030" means the calendar year or FY2030.

▼ F–7

The target covering 99% of the footprint is net, and the netting is not described. Net zero Scope 3 by 2040 applies to 275.64 $MtCO_2e$ and is recorded as a net target. No associated gross target is disclosed, no base period, no interim target in the audited statement, and nothing about the extent of reliance on carbon credits, which crediting schemes would verify them, what type of credit, or the permanence assumed. The Safeguard Mechanism disclosure states units are not used for the Real Zero Target and is silent on this one.

WHY IT MATTERS TO A READER

Between a gross target and a net target with unlimited netting there is a difference of up to 275 million tonnes. A reader cannot tell which of those Fortescue has committed to.

WHAT WOULD FIX IT

Publish the associated gross Scope 3 target, the base period, an interim 2030 absolute cap, and the planned scale, type and verification of any credits.

▼ F–8

The reported position against the Steelmaking Target reverses on a baseline restated this year. The FY21 baseline moved from 185.9 to 182.18 Mt of ore shipped and from 242.83 to 246.14 $MtCO_2e$, lifting baseline intensity from 1.31 to 1.35 $MtCO_2e$/Mt. FY26's 1.334 is 2.2% above the baseline the company published a year ago and 1.2% below the restated one, and the 2030 endpoint moves from about 1.21 to about 1.25, roughly 8 $MtCO_2e$ of allowed customer emissions at current volumes. The change is explained in the ESG Databook as correcting a carried-forward system error; the audited statement and the transition plan print the new baseline without comment, and no before-and-after values are published anywhere.

WHY IT MATTERS TO A READER

Progress against the only 2030 lever over 96% of the footprint changes sign depending on which baseline is used, and a reader cannot see that unless they still hold last year's data pack.

WHAT WOULD FIX IT

Publish the baseline as previously stated beside the corrected figure, the size of the correction, its two components, and the effect on the 2030 endpoint.

▼ F–9

The 7.5% steelmaking intensity target does not cap absolute emissions, which rose 10.6% over the series. Category 10 went from 242.83 $MtCO_2e$ in FY21 to 268.64 $MtCO_2e$ in FY26 while the intensity metric moved by about one per cent, because shipments rose. The transition plan presents the intensity target as an interim milestone toward net zero Scope 3 by 2040; an intensity milestone does not constrain the absolute quantity the 2040 target must eliminate.

WHY IT MATTERS TO A READER

A reader can take a 2030 intensity milestone as evidence that the 2040 absolute target is on a pathway. On these figures the absolute quantity to be eliminated has grown every year since the baseline.

WHAT WOULD FIX IT

State the absolute Category 10 trend beside the intensity target, and set an absolute interim cap.

▼ F-10

This year's reported intensity improvement is not Fortescue's abatement, on the company's own account. The 1.67% fall is attributed to CRU revising the emission factors applied to Fortescue's product, and to a higher share of Iron Bridge concentrate and lump in the sales mix, partly offset by more low-grade fines. Neither driver is action Fortescue took to reduce its customers' emissions.

WHY IT MATTERS TO A READER

The one number moving toward the 2030 steelmaking target is a third party's factor revision and a sales mix. Read as progress, it overstates what has been achieved.

WHAT WOULD FIX IT

Separate the factor-revision effect, the mix effect and any Fortescue-delivered abatement, and report the three quantities.

▼ F-11

The market-based Scope 2 position is 36% worse than the location-based one, and it is published in one unaudited source with no method. The ESG Databook reports 0.53 $MtCO_2e$ market-based against 0.39 $MtCO_2e$ location-based. Neither the figure nor any description of the electricity contracts behind it appears in the Annual Report, the transition plan or the sustainability report, and the audited statement's Scope 2 note describes the location-based method only, while renewable electricity purchased fell from 145.15 to 137.01 GWh.

WHY IT MATTERS TO A READER

Market-based is the basis on which a company's electricity contracting is judged, and here it is the less favourable one. A reader of the audited book does not learn it exists.

WHAT WOULD FIX IT

Disclose the market-based figure and its method in the climate statement, with the contractual instruments held, the residual-mix factor used and the cause of the gap.

▼ F–12

The executive scorecard's decarbonisation block paid above weight in a year emissions rose, and none of its three measures is an emissions outcome. The block carries 15 points of the short-term scorecard and returned 17.5: schedule and budget delivery (10 of 10), advancing pathways to profitably decarbonise 1.9% of remaining hard-to-abate emissions against a 1% target (3.75 of 2.5), and US$491 million of capital cost reduction on renewable power and mobile equipment against a US$350 million target (3.75 of 2.5). Scope 1 and 2 covered by the Real Zero Target rose 4.6% over the same period.

WHY IT MATTERS TO A READER

Where pay is linked to climate, a reader reasonably reads an above-weight outcome as emissions progress. Here the measures reward delivery, procurement and cost, and can be exceeded while the emissions they exist to reduce increase.

WHAT WOULD FIX IT

Add at least one measure struck on the reported emissions outturn, on the same boundary as the Real Zero Target.

▼ F–13

The asset carrying this year's product-mix improvement was impaired US$750 million on a revised ramp-up, and the climate statement does not connect the two. Iron Bridge is named in the climate statement as a driver of the Scope 1 increase and, through higher concentrate sales, of the steelmaking intensity fall. The financial statements record a US$750 million pre-tax impairment on the Iron Bridge cash-generating unit reflecting a revised ramp-up schedule and a range of production scenarios.

WHY IT MATTERS TO A READER

The product-mix lever behind the steelmaking target and the asset whose production outlook was written down are the same asset, and a reader assessing that target would want the two facts side by side.

WHAT WOULD FIX IT

Connect the revised Iron Bridge ramp-up to the product-mix assumption in the Steelmaking Target, and state the effect on the 2030 endpoint.

▼ F–14

Four target disclosures required in the first mandatory year are absent. No base period is disclosed for the Real Zero Target or the Scope 3 Target, though both are absolute targets measured from somewhere; no milestones or interim targets are disclosed for any of the four voluntary targets in the audited statement; no associated gross target accompanies the net Scope 3 target; and no planned use of carbon credits is disclosed for it. The first-year relief taken covers comparative information only and does not reach these.

WHY IT MATTERS TO A READER

These are the disclosures that let a reader test a target rather than accept it. Their absence is why F-6 and F-7 cannot be resolved from the book.

WHAT WOULD FIX IT

Add the base period, the milestones and interim targets, the associated gross target and the carbon-credit disclosures to the target tables.

▼ F–15

The data pack's energy table states terajoules where the values are petajoules. Total energy consumption reads 45.27 TJ where the figure is 45.27 PJ, diesel 26.03 TJ where the company reported 26,277,016 GJ for the prior year on the same row, and 800.19 GWh of purchased electricity is stated as 2.88 TJ where it is 2,881 TJ. Every row of the table and its two comparative years is understated by a factor of a thousand by its stated unit.

WHY IT MATTERS TO A READER

Anyone lifting Fortescue's energy figures takes a number a thousand times too small. The values themselves are right; the unit label is not.

WHAT WOULD FIX IT

Correct the column heading to petajoules, or restate the values in terajoules.

4.3 What cannot be verified

? F–16

The cause and composition of the 0.14 $MtCO_2e$ gap between market-based and location-based Scope 2

WHY IT IS OPEN

No market-based method, residual-mix factor or contractual-instrument description exists in any FY26 document

WHAT WOULD RESOLVE IT

The Scope 2 market-based method note, the certificates or contracts held with volumes, and the residual-mix factor applied

? F–17

Biogenic Scope 1 emissions from land clearing

WHY IT IS OPEN

Expressly considered, with no quantitative figure reported while the applicability of the Land Sector and Removals Standard is assessed

WHAT WOULD RESOLVE IT

A quantified estimate, or a bounding figure with the basis for it

?

F–18

The reviewed year's statutory position against the NGER return

WHY IT IS OPEN

The FY2025-26 register is not published at the review date

WHAT WOULD RESOLVE IT

The FY2025-26 register, expected in early 2027

?

F–19

The split of the FY21 steelmaking baseline restatement between the ore-shipped correction and the emissions correction

WHY IT IS OPEN

The data pack states the fact of the correction and no components

WHAT WOULD RESOLVE IT

The baseline as previously stated, the corrected figure and the reconciliation between them

?

F–20

Emission factors, the base-year recalculation policy and the restatement threshold

WHY IT IS OPEN

The standalone FY26 Emissions Calculation Methodology was not obtained for this review

WHAT WOULD RESOLVE IT

The published methodology document

?

F–21

Whether the FY31 mobile-equipment milestone falls inside the Real Zero target period

WHY IT IS OPEN

The target is dated "the end of 2030" without stating calendar or financial year, and the milestones are on a financial-year axis

WHAT WOULD RESOLVE IT

A statement of which year-end the target date refers to

5. Disclosure risk exposure

5.1 Risk read

On the evidence in this review, Fortescue's disclosure most exposes the company, and a reader relying on it, at the point where an absolute commitment meets an unquantified path to it. Two absolute targets carry the disclosure: eliminate 2.72 $MtCO_2e$ by the end of 2030, and reach net zero across 275.64 $MtCO_2e$ by 2040. Neither publishes a base period, an interim target or a quantity of abatement by year, and the emissions under the nearer of the two rose 15.7% in two years against a date four years away, with the company stating they will not begin to fall until FY28. The single biggest driver is that gap between the firmness of the commitment and the absence of anything a reader can measure it against between now and the date. A second driver is that the 2040 target is expressly net with no disclosure of the credits it may rely on, so the difference between a gross commitment and an offset one is left open over 99% of the footprint. A third is narrower and more mechanical: the reported position against the 2030 steelmaking target reverses depending on which baseline is used, and the restatement that produces the favourable reading is explained only in an unaudited data pack. None of the following is an allegation of misconduct, greenwashing or breach; each is a risk a reasonable reader, regulator or director should be able to see and price.

5.2 Risk by lens

Risk exposure by lens

Relative exposure across disclosure-risk lenses; see the table for what drives each and what would reduce it.

Source: Review analysis of the FY26 disclosure suite.

Legal (misleading-conduct / disclosure / director-duty)	**Moderate**	Medium confidence
Regulatory (ASIC / ACCC / Clean Energy Regulator / AASB S2)	**Moderate to elevated**	High confidence
Technology (dependence on unproven abatement)	**Elevated**	High confidence
Physical (physical-risk disclosure consistency)	**Low**	High confidence
Other: remuneration	**Moderate**	High confidence

LENS	EXPOSURE	CONFIDENCE	WHAT DRIVES IT	WHAT WOULD REDUCE IT
Legal (misleading-conduct / disclosure / director-duty)	Moderate	Medium	"Real Zero" is a coined term whose plain meaning is elimination, used as the organising name for a program covering about 1% of the footprint, while the 2040 target over the remainder is net with the netting undisclosed. The boundary is co-located at every substantive mention, which is what holds this at moderate rather than higher.	State the proportion of the footprint each target covers wherever the target is named, and quantify the netting the 2040 target permits.
Regulatory (ASIC / ACCC / Clean Energy Regulator / AASB S2)	Moderate to elevated	High	Five paragraph-level AASB S2 gaps in the first mandatory year, four on target disclosure and one on contractual instruments inside the audited scope, in a filing carrying a directors' declaration of compliance.	Close the five gaps in the FY27 statement and, where practical, by supplementary disclosure before then.
Technology (dependence on unproven abatement)	Elevated	High	Real Zero depends on battery-electric haulage at fleet scale, rail electrification still at engineering-validation stage, and an integrated off-grid renewable system, all against a 2030 date, with the plan itself stating the first-mover cost and sequencing risk and placing full mobile-equipment deployment at FY31.	Publish the abatement quantity attached to each lever and the fallback if a lever slips, so a reader can size the exposure rather than infer it.
Physical (physical-risk disclosure consistency)	Low	High	The assessment is quantified, its inputs are disclosed, its scope limitation to the Pilbara value chain is stated, and the FY26 outturn is reported as no material impact. Chronic hazards are stated as not yet incorporated.	Extend the quantification to chronic hazards as the data allows.
Other: remuneration	Moderate	High	Climate-linked measures carry 32.5% of the chief executives' short-term scorecard, and the decarbonisation block within it paid 17.5 against a weight of 15 in a year the covered emissions rose 4.6%, on measures none of which is an emissions outturn.	Add an emissions-outcome measure on the Real Zero boundary.

5.3 Consistency across audiences

CLAIM / METRIC	TO THE REGULATOR	TO INVESTORS / PUBLIC	CONSISTENT AFTER NORMALISING BOUNDARY?
Scope 1, Scope 2 location-based, Scope 3 FY26	Audited climate statement in the Annual Report; reasonable assurance on Scope 1 and 2, limited on Scope 3	Identical figures in the transition plan, the sustainability report and the data pack	Yes
Scope 2 market-based	Not disclosed	ESG Databook only, and only as a bare figure	Not testable: one source only. The audited statement carries no contractual-instrument information alongside the location-based figure
FY25 comparatives	Omitted from the audited statement under the first-year relief, with the relief disclosed	Published in the voluntary transition plan	Yes: the relief is properly disclosed; a reader of the audited book alone sees one year
FY21 steelmaking baseline	New figure printed in the audited target table with no note of the change	New figure printed in the transition plan with no note; the change is explained only in the data pack	Yes: the figures agree; the explanation reaches only one of the three audiences
Categories 11, 12, 14 and 15	"—" with a stated not-relevant basis in the audited statement	"0" in the data pack	Yes: after normalising; both mean not counted, and the audited statement states the basis
Statutory NGER return	FY2025-26 register not yet published	Not applicable	Cannot verify: for the reviewed year

6. How to fix it

6.1 NoCO2 Standard alignment

FINDING	REVIEW FINDING (WHY IT MATTERS)	NOCO2 MECHANISM	DOCUMENT / CLAUSE	REQUIRED EVIDENCE	LIKELY NOCO2 OUTCOME
D6-1 no quantified pathway to Real Zero	An absolute 2030 target with a rising base and no interim point cannot be tested until it falls due	Reduction trajectory with mandatory interim points	4.7.2 Reduction Trajectory; 4.7.4 Interim Targets	Year-by-year abatement quantities in $MtCO_2e$ by lever to 2030, with the base period stated	Non-conformance until the trajectory is published
D6-1 no base period for the Real Zero and Scope 3 targets	Progress cannot be measured from an unstated origin	Base year and recalculation policy	4.7.6 Base Year and Recalculation	Declared base period for each target and a recalculation policy	Non-conformance
D5-2 the 2040 Scope 3 target is net with the netting undisclosed	Up to 275 $MtCO_2e$ of difference between a gross and an unlimited-netting commitment	Residual emissions ceiling and credit integrity	4.8.2 Residual Emissions; 4.8.3 Permanence Risk Mitigation; 4.8.5 Credit Eligibility	Residual quantity, credit types, crediting schemes, removal-versus-reduction split, permanence assumptions	Non-conformance until the residual is bounded
D5-1 Real Zero is gross and at source, offsets excluded	Removes the usual difficulty of telling abatement from purchased neutralisation	Elimination-at-source preference	4.7.2 Reduction Trajectory; 4.8.2 Residual Emissions	Already evidenced by the target definition and the credits paragraph	Conformant on the covered boundary
D4-4 absolute Category 10 rose while the 2030 lever is intensity-only	An intensity milestone does not constrain the quantity the 2040 target must eliminate	Absolute cap requirement over material value-chain categories	4.7.2 Reduction Trajectory; 4.5.5.8 Value Chain Emissions (downstream processing)	An absolute interim cap for 2030 over Category 10	Non-conformance
D4-2 customer steelmaking quantified but not controlled	The dependency is real and Fortescue does not operate the emitting assets	Influenced and non-attributable emissions treatment	4.5.6 Non-Attributable and Influenced Emissions	Documented influence pathway, engagement evidence and the measured trajectory it is expected to move	Conformant on quantification; the influence treatment is what would give the 2040 target a mechanism

FINDING	REVIEW FINDING (WHY IT MATTERS)	NOCO2 MECHANISM	DOCUMENT / CLAUSE	REQUIRED EVIDENCE	LIKELY NOCO2 OUTCOME
D3-1 market-based Scope 2 published without method	The less favourable basis is the one a reader of the audited book never sees	Market-based reporting with certificate evidence	4.6.3 Market-Based Reporting; 4.6.5 Certificate Evidence and Retirement	Method note, contractual instruments held with volumes, residual-mix factor, retirement records	Non-conformance until the method and evidence are published
D2-3 biogenic Scope 1 unquantified	Small residual uncertainty in an otherwise complete Scope 1	Inventory completeness across all emission types	4.5.2 Organisational Boundary; 4.5.5 Value Chain Emissions	A quantified or bounding land-clearing estimate	Minor gap; resolvable
D4-3 Categories 1, 2 and 8 spend-based	Estimation is the expected starting point, not a fault	Data quality hierarchy and supplier-specific factors	4.5.4 Data Quality Hierarchy; 4.5.7 Supplier-Specific Emission Factors	A data-quality grade by category and a supplier-engagement plan	Conformant; improvement pathway only
D6-2 FY21 steelmaking baseline restated with the explanation in one source	Progress against the only 2030 lever over 96% of the footprint changes sign on the restatement	Recalculation disclosure with before-and-after values	4.7.6 Base Year and Recalculation; 4.9.3 Restatement Disclosure	Prior baseline, corrected baseline, components of the change, effect on the target endpoint	Non-conformance on disclosure completeness
D6-3 this year's intensity movement is factor and mix driven	The one number moving toward the target is a third party's revision	Attribution of movement against a business-as-usual counterfactual	4.7.3 Progress Attribution	Factor, mix and own-action components stated separately	Non-conformance until decomposed
D7-3 decarbonisation pay block paid above weight while emissions rose	A reader reads a strong climate scorecard outcome as emissions progress	Governance linkage between incentives and measured outcomes	4.4.4 Incentive Alignment	At least one measure struck on the reported emissions outturn on the target boundary	Non-conformance on incentive alignment
D7-4 Iron Bridge connectivity gap	The mix lever behind the target and the impaired asset are the same asset	Connected disclosure of financial and emissions effects	4.9.5 Connected Information	The climate sensitivity applied in the impairment model and the effect on the mix assumption	Minor gap
D2-4 data-pack energy unit label	Energy figures are understated a thousandfold by their stated unit	Reporting accuracy and unit integrity	4.9.1 Reporting Accuracy	Corrected unit heading or restated values	Minor gap; mechanical
D9-1 physical-risk assessment quantified and transparent	An investor can re-run the arithmetic	Physical risk assessment and adaptation planning	4.3.4 Physical Risk Assessment	Already evidenced	Conformant
D1-2 Scope 3 disclosed voluntarily in the first mandatory year	99% of the footprint is in the audited book when it could have been deferred	Value chain completeness	4.5.5 Value Chain Emissions	Already evidenced	Conformant
D8-2 no climate-adjusted reserve or life-of-mine sensitivity	Transition exposure to carrying values is not sizeable by a reader	Asset resilience and transition sensitivity	4.3.5 Transition Risk Assessment	The climate sensitivity applied in impairment and life-of-mine models	Minor gap

7. Conclusion & next steps

Fortescue's first mandatory climate statement is a substantial piece of work, and the inventory behind it is close to complete: Scope 3 was published in full when it could have been deferred, every category carries a stated method or a stated reason, Scope 1 and Scope 2 carry reasonable assurance, and the physical-risk analysis is quantified in a way a reader can re-run. The capital behind the commitment is real and in the ground. What does not hold up is the space between the commitment and the date. Two absolute targets, one four years away over about 1% of the footprint and one fourteen years away over the other 99%, publish no base period, no interim target and no quantity of abatement by year, and the emissions under the nearer one rose 15.7% in two years. The further target is net, and how much of it may be met by credits is not stated at all.

The single most valuable fix is a pathway in tonnes: a year-by-year abatement quantity from 2.72 $MtCO_2e$ to zero by 2030, attributed lever by lever, and an interim absolute cap for 2030 over customer steelmaking with the residual the 2040 target permits stated as a number. Everything else follows from it. Alongside that, publish the FY21 steelmaking baseline as previously stated beside the corrected one so progress can be read on a single basis; bring the market-based Scope 2 figure and the contracts behind it into the audited statement; and add the base periods, milestones, associated gross target and

carbon-credit disclosures that the standard requires. CRI's Decarbonisation Strategies, Mandatory Climate Reporting, Carbon Inventories and Supplier-Specific Emissions Factors services, and the NoCO2 Net Zero pathway, map directly onto that work.

Important information

This diagnosis is general information, published to support transparency, accountability and public debate on corporate climate disclosure. It sets out CRI's assessment of the publicly available climate disclosures of the organisation named above, for the reporting period stated, based on third-party information available at the review date. The assessment is made against CRI's Climate Disclosure Review Rules (version stated above), which use the CRI Net Zero Standard as the reference for a credible claim together with AASB S2 Climate-related Disclosures, and it gives reasons for each finding.

It assesses the disclosure, not the organisation's underlying climate performance or intent, and it does not allege illegality, misconduct, greenwashing or dishonesty. It is not tailored advice, nor legal, financial or investment advice, and it is not an audit, an assurance engagement or a certification. CRI does not accept liability for any error or omission in this analysis, or for any loss arising from use of or reliance on it.

AI tools help locate, extract and organise material from the source documents against a fixed rule set. Every rating and conclusion is reviewed and confirmed by CRI analysts; the rules, not the model, determine the outcome.

Organisations may contact CRI at robc@noco2.com.au to identify an error, provide relevant public information or request review of updated disclosures. Where a correction affects a finding, the diagnosis is updated and the change is noted. Further information about the review method is at noco2.com.au.

© Carbon Reduction Institute Pty Ltd, ABN 26 122 969 233. This report is protected by copyright. It reproduces third-party material for the purpose of criticism and review; any reproduction of this report not permitted under the Copyright Act 1968 (Cth) requires CRI's consent.

--- ANNEXES (INTERNAL WORKING LAYER) ---

These annexes are the detailed working layer behind the findings in the body: the evidence base, rule application and traceability. Much of it is review working, retained for transparency and of interest to both the internal review team and external readers who want to see how each finding was reached.

Annex A: Documents reviewed & completeness (A-01A)

DOCUMENT	STATUS	CRITICALITY	NOTES
FY26 Annual Report & Appendix 4E, incl. Sustainability Report: Climate Statements (folios 69–107)	Reviewed	Critical	Primary audited source (A-01B). First mandatory AASB S2 climate statement; directors' declaration s296C/296D dated 20 Aug 2026
FY26 Climate Transition Plan (voluntary companion, TPT-structured)	Reviewed	Material	Supplies FY25 comparatives and the "four targets, one emissions footprint" panel; carries an external peer-review foreword (not assurance, not target validation)
FY26 Sustainability Report (standalone)	Reviewed	Material	Public-facing claim wording; distinct from the "Sustainability Report: Climate Statements" inside the AR
FY26 ESG Databook (Climate (Emissions), Climate (Energy), External Verification and Assurance, Metrics Definitions)	Reviewed	Material	Sole source of the market-based Scope 2 figure and of the FY21 baseline restatement note
FY26 Full Year Results announcement	Reviewed	Useful	Confirms the FY26 statement as "its first mandatory climate-related financial statement"
PwC reasonable assurance opinion, Scope 1 and 2 (AASB S2 29(a)(i)(1)–(2), 29(a)(ii)–(v))	Reviewed, printed in AR folios 104–107	Critical	Unqualified; criteria table names the audited subparagraphs
PwC limited assurance conclusion, governance and strategy (risks and opportunities)	Reviewed, printed in AR	Material	ASSA 5000
PwC limited assurance conclusion, Scope 3 emissions	Reviewed, printed in AR folio 18503 ff.	Material	ASSA 5000
PwC limited assurance conclusion, Eligible Project Cumulative Spend	Reviewed, printed in AR	Useful	Green-finance subject matter, ASAE 3000
FY25 Annual Report, FY25 ESG Databook, FY25 Climate Transition Plan	Reviewed	Material	Prior period; source of the pre-restatement FY21 baseline
FY24 ESG Databook, FY23 Climate Change Report, FY22 ESG Databook, FY21 Sustainability Report	Reviewed	Material	Multi-period series (Annex K)
Clean Energy Regulator NGER register FY2024-25 (as at 27 Feb 2026)	Reviewed	Material	Prior-period context only; the FY2025-26 register is not published at the review date
FY26 Emissions Calculation Methodology (standalone)	**Not obtained**	Material, not critical	Publicly available at fortescue.com. Emission factors, base-year recalculation policy and restatement threshold not independently verified; dependent items carried as cannot-verify (K-05)
Documents covering FY2027 and later	**Deliberately excluded**	—	None published at the review date; the corpus is scoped to FY2026 and earlier (Step 1)

Annex B: Evidence table (AI-02)

EVIDENCE ID	SOURCE (DOC · PAGE/TABLE)	WHAT IT SHOWS	LINKED CLAIM / FINDING	RULE IDS	STATUS
E1	AR folio 92, Group emissions table	Scope 1 2.75, Scope 1 consolidated 2.69 / investees 0.05, Scope 2 LB 0.39 (0.38 / 0.01), Scope 3 275.64, Cat 10 268.64 $MtCO_2e$	§3.1	G-06, G-07, S2-26, S2-28, S2-29, 29(a)(i)/(iv)	Reconciled
E2	AR folios 100–102, Note 5	Per-category Scope 3 method, factor datasets (Climatiq EXIOBASE/CEDA, NGA, GLEC v3.2, UK Gov), response rates, spend shares, evaluation status for all 15 categories	§3.1, F-4/F-5	S3-01..31, S3-EST, S3-25, S3-26, 29(a)(vi)	Reconciled
E3	AR folio 99, Scope 2 note	"Fortescue reports Scope 2 emissions using location-based method"; invoice data, <1% NABERS; no contractual-instrument information	F-11	S2-28, E-01..24, 29(a)(v), B30–B31	Reconciled (adverse)
E4	FY26 ESG Databook, Climate (Emissions)	Scope 2 market-based 0.53 $MtCO_2e$ FY26 (0.52 FY25, 0.52 FY24), against LB 0.39; no method or definition anywhere in the pack	§3.1, F-11, F-16	S2-28, E-05, A-05, A-01B	Reconciled (adverse)
E5	FY26 ESG Databook, Climate (Energy)	Renewable electricity purchased 137.01 GWh FY26 vs 145.15 FY25; total purchased 800.19 vs 791.86 GWh	§3.3, §3.4	E-04, E-24, G-BAU	Reconciled
E6	AR folio 99, biogenic note	Biogenic Scope 1 from land clearing considered; "no quantitative figure has been reported" pending Land Sector and Removals Standard applicability	§3.1, F-17	G-11, A-05, A-21	Open (cannot verify)
E7	AR folio 93, Real Zero target table	Metric, objective, part, period 2030, absolute, Paris 1.5°C, GHGs, SDA No, third-party validation No, gross. **No base period row. No milestones row.** Progress table shows 2026 only: 2.35 / 0.37 / 2.72	F-6, F-14	33(e), 33(f), T-01..13, T-BASE-01	Reconciled (adverse)
E8	AR folio 96, Scope 3 target table	"Net zero Scope 3 by 2040", all relevant and calculated categories, absolute, Paris 1.5°C, SDA No, validation No, **Net**. No base period, no milestones, no associated gross target, no carbon-credit disclosure	F-7, F-14	33(e), 33(f), 36(c), 36(e), E-08..22, T-14	Reconciled (adverse)
E9	AR folio 94 + FY26 CTP p.33 + FY26 databook	Steelmaking target progress: FY21 baseline 182.18 Mt / 246.14 $MtCO_2e$ / 1.35; FY26 201.33 / 268.64 / 1.33; footnote states baseline "not directly comparable" (global sectoral factors)	§3.3, §3.4, F-8, F-9	T-BASE-01, T-14, YOY-04	Reconciled (adverse)
E10	FY25 ESG Databook, Climate (Emissions), Steelmaking block	FY21 baseline as published a year earlier: 185.9 Mt / 242.83 $MtCO_2e$ / 1.31. FY23 Climate Change Report and FY22 ESG Databook Planet r.25 both carry 242.83 for FY21	F-8, Annex K.2	YOY-04, T-BASE-01, G-10	Reconciled (adverse)
E11	FY26 ESG Databook Note 3	"Baseline figures have been corrected to address a system error that caused them to be carried forward incorrectly in subsequent years. The original baseline figures remain unchanged." No before/after values, no components	F-8, F-19	YOY-04, G-10, A-05	Reconciled (adverse)
E12	AR folio 94	Company's own attribution of the 1.67% intensity fall: CRU factor update; higher Iron Bridge concentrate and lump share; partly offset by more Super Special Fines	§3.3, F-10	A-19, G-BAU, T-MI-06	Reconciled (adverse)
E13	AR folio 95	Shipping target progress: FY26 3.81 Mt / 0.019 vs FY21 baseline 4.07 / 0.022, "15 per cent below"; footnote states baseline used voyage-distance data where FY25/FY26 use fuel consumption	§3.3, §3.4	T-14, T-BASE-01, YOY-04	Reconciled
E14	AR folio 71 + folio 92 + CTP p.18	"Scope 1 and 2 emissions within scope of our Real Zero Target are expected to decline from FY28"; covered emissions 2.35 (FY24) → 2.60 (FY25) → 2.72 (FY26)	§3.3, §3.4, F-6	T-01..13, A-19, S2-38..42	Reconciled (adverse)
E15	FY26 CTP pp.14–15, 43–44	Milestones: FY27 first battery-electric haul trucks, 290 MW renewable capacity; FY28 24-hour fossil-fuel-free grid periods; **FY31 all electrified mobile equipment (800 assets)**. "Emissions are therefore expected to decline as complete systems are commissioned and deployed, rather than at a uniform rate each year." No abatement quantity attached to any milestone	F-6, F-21, §5.2	T-01..13, 33(f), A-05	Reconciled (adverse)
E16	AR folios 71, 81–84 + CTP p.43	FY26 decarbonisation capital expenditure US$848m; US$6.2bn program; further US$680m approved in FY26; 550 km transmission complete; 370 MWh BESS installed; 18 electric excavators, 2 battery-electric locomotives; Eliwana diesel down 10 ML	F-2	A-16 (above baseline)	Reconciled (positive)

EVIDENCE ID	SOURCE (DOC · PAGE/TABLE)	WHAT IT SHOWS	LINKED CLAIM / FINDING	RULE IDS	STATUS
E17	AR folio 76, 88	Physical risk quantified: ~7 days additional average annual effective downtime by 2050 (SSP3-7.0), 0.55 Mt/day, US$91/dmt → US$100–500m; FY26 impact "no material impact"	F-3	N-01..03, N-04, S2-16, 29(b)	Reconciled (positive)
E18	AR folios 104–107	PwC reasonable assurance opinion on Scope 1 and 2 (criteria: 29(a)(i)(1)–(2), 29(a)(ii)–(v)); limited assurance on governance and strategy; separate limited assurance on Scope 3 and on Eligible Project Cumulative Spend	§2.3, F-4	GOV-01..16, A-11, A-01B	Reconciled
E19	AR folios 98, 99, Notes 1 and 5	First-time adoption: comparatives relief (C3) relied on; Scope 3 provided **voluntarily**, C4(b) relief waived	§1.2, §3.4, F-5, F-14	C3, C4(b), C5, AASB S2 first-year fairness control	Reconciled
E20	AR folios 159–162	FY26 ESSIP Decarbonisation block: weight 15, outcome 17.5. Integrated decarbonisation schedule 10/10 "Achieved"; profitably decarbonise 1% of remaining hard-to-abate, 1.9% achieved, 3.75/2.5 "Exceeded"; renewable power and mobile equipment US$350m capital reduction, US$491m achieved, 3.75/2.5 "Exceeded". Climate-related measures 32.5% of CEOs' total ESSIP, 28.8% other KMP, 20.8% of FY24 LTIP, 33.3% of SIP	F-12, §5.2	GOV-09..12, T-PROC-05, A-19	Reconciled (adverse)
E21	AR folio 18, 1434, 13929	Iron Bridge CGU pre-tax impairment US$750m (post-tax US$525m) "reflects a revised ramp up schedule and a range of production scenarios, including nameplate capacity of 22Mt"; carrying amount before impairment US$2,126m	F-13	S2-33..37 (connected information), A-01B	Reconciled (adverse)
E22	AR folios 85–89	Scenario analysis: transition 1.5°C, <2°C and a 2.6°C base case; physical SSP1-1.9/1-2.6/2-4.5/3-7.0 (5-8.5 for sea level); "the plausibility of limiting warming to 1.5°C with no or limited overshoot has declined"	§2.3, F-3	S2-22..24, N-04	Reconciled
E23	AR folios 84, 97	Internal carbon price A$97.92/t$CO_2e$ long-term real, applied to Australian operations and investment activities; Safeguard compliance requirement ~0.3 MtCO_2e; carbon compliance cost US$9m in FY26; SMC preference over ACCU; units "not used to meet Fortescue's Real Zero Target"	§2.3, F-1	E-08..22, G-11, A-16	Reconciled
E24	FY26 ESG Databook, Climate (Energy) vs FY25 ESG Databook	Unit label states TJ against PJ values: diesel 26.03 where FY25 reported 26,277,016 GJ; total 45.27 where FY25 reported 42,891,755 GJ; 800.19 GWh stated as 2.88. FY23 Climate Change Report reports "Total net energy consumed (PJ)"	F-15	GHG-STD-08, DR-02, A-01B	Reconciled (adverse)
E25	Derived: FY26 databook energy + NGER Measurement Determination factors	Scope 1 movement decomposed: gas +2.45 PJ × 51.53 kg/GJ = +0.126 Mt; diesel −6.46 ML × 2.71 t/kL = −0.018 Mt; net +0.108 Mt against a reported +0.11 Mt	§3.3	G-06, A-19, G-BAU	Reconciled
E26	FY22 ESG Databook Planet r.8–13, 25, 32; FY23 Climate Change Report comparative table; FY25 ESG Databook	FY21→FY26 series: S1 2.40 / 2.21 / 2.20 / 2.36 / 2.64 / 2.75; S2 LB 0.16 / 0.33 / 0.35 / 0.37 / 0.38 / 0.39; Cat 10 242.83 / 250.37 / 261.46 / 262.16 / 269.20 / 268.64; total S3 247.06 / 254.73 / 267.61 / 269.19 / 275.94 / 275.64	§3.4, Annex K.1	YOY-01..08	Reconciled
E27	CTP p.30	"In FY26, Fortescue's Scope 3 emissions were 275.64 MtCO_2-e, approximately 90 times greater than our Scope 1 and 2 emissions of 3.1 MtCO_2-e"; "four targets, one emissions footprint" panel	§2.1 (retail, public), F-5	OUT-TB-02, OUT-TB-03, OUT-TB-21	Reconciled (mitigating)
E28	CTP p.44, "Our commitment to SBTi"	"We paused validation while the Science Based Targets initiative (SBTi) reviewed its standards… We are currently assessing the final requirements to re-initiate our validation process." All four target tables record validation by a third party: No	§2.3, §3.4	T-SBTi-01, T-SBTi-03, C-SBTi-02, A-18	Reconciled (no overclaim)
E29	Full-text search of the FY26 suite for "1.5°C aligned", "carbon neutral", "100% renewable", "net zero" as an achievement claim	No self-applied alignment label, no neutrality claim, no renewable-electricity claim, no achievement assertion. The only 1.5°C uses are scenario analysis and the required "international agreement informing the target" row	§4.1, Annex K.3, P1 verdict	OUT-TB-02, OUT-TB-15, A-17, YOY-05	Reconciled (improvement)
E30	NGER register FY2024-25 (CER, as at 27 Feb 2026), FORTESCUE LTD, ABN 57 002 594 872	Scope 1 2,255,843 t; Scope 2 LB 806,331 t; net energy 38,361,571 GJ. FY2025-26 register not published at the review date	§5.3, Annex J.2, F-18	A-01C, DR-02, A-05	Open (cannot verify for the reviewed year)

Annex C: Claim register (AI-18 / OUT-TB-15)

CLAIM ID	WORDING / PARAPHRASE	CLAIM OBJECT	CLAIM SOURCE & BASIS (OUT-TB-15)	DOC & LOCATION	STRENGTH	AUDIENCE	EVIDENCE REQ/FOUND/MISSING	TRIGGERED SCANS	RULE IDS	STATUS
C1	"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", equivalent to Fortescue's equity share in joint ventures; "terrestrial" excludes Scope 1 shipping	Absolute gross Scope 1+2 on a named sub-boundary	**Self-declared**; not third-party validated; not SDA-derived; gross; no base period disclosed	AR folio 93; CTP p.19; Sustainability Report p.25; glossary	Strong	Investors, public	Found: 2.72 $MtCO_2e$ covered, FY26. Missing: base period, interim targets, abatement pathway	Net-zero, target-achievement, boundary	T-01..13, 33(e), 33(f), OUT-TB-21, A-16	Above-baseline positive on a bounded claim; pathway missing (F-1, F-6)
C2	"Net zero Scope 3 by 2040. This target applies to all relevant and calculated GHG Protocol Scope 3 categories." Net or gross: **Net**	Absolute net Scope 3 across 275.64 $MtCO_2e$	**Self-declared**; not validated; not SDA-derived; **net**	AR folio 96; CTP p.36	Strong	Investors, public	Found: category coverage and the net designation. Missing: base period, interim targets, associated gross target, credit extent/scheme/type/permanence	Net-zero, offsets, target	33(e), 33(f), 36(c), 36(e), E-08..22, T-14	Materially unsubstantiated as to the netting (F-7, F-14)
C3	"By 2030, enable a reduction in emissions intensity from steelmaking by Fortescue's customers of 7.5 per cent, from FY21 levels"	Intensity, Scope 3 Category 10	**Self-declared**; base year FY21 (restated in FY26); enablement wording, not a control claim	AR folio 94; CTP p.33	Strong	Investors, public	Found: FY26 1.33 against a restated 1.35 baseline. Missing: pre-restatement baseline beside it, absolute cap, decomposition of the movement	Target-achievement, baseline, BAU	T-14, T-BASE-01, A-19, G-BAU, E-24	Reported direction turns on the restatement (F-8, F-9, F-10)
C4	"By 2030, enable a reduction in emissions intensity levels from the shipping of our iron ore by 50 per cent, from FY21 levels"; "FY26 shipping emission intensity decreased by 15 per cent relative to the baseline year"	Intensity, Scope 1 shipping + Scope 3 Cat 3/4/9	**Self-declared**; base year FY21; activity basis differs between baseline and current years, disclosed	AR folio 95; CTP p.30	Strong	Investors	Found: −15.3% verified by arithmetic. Missing: split of the real component from the method change	Target-achievement, baseline	T-14, T-BASE-01, YOY-04	Partly real, size of the real component cannot be separated (§3.3)
C5	"This is Fortescue Ltd's first climate-related financial statement prepared in accordance with Australian Sustainability Reporting Standard AASB S2... and the climate statement requirements of the Corporations Act 2001"	Standards compliance	**Self-declared**, supported by a directors' declaration and a PwC opinion on the Scope 1 and 2 disclosures only	AR folio 71; directors' declaration folio 103	Strong	Regulators	Found: governance, strategy, risk, scenarios, financial effects, metrics, reliefs disclosed. Missing: 33(e), 33(f), 36(c), 36(e), 29(a)(v) contractual instruments	AASB S2 gate	S2-01..47, 296C, 296D	Potential compliance concern (§2.3, F-14)
C6	"PwC provided reasonable assurance over Group and NGER Scope 1 and 2 emissions and limited assurance over Scope 3 emissions"	Assurance coverage	**Third-party**, ASSA 5000; all four reports printed in the AR with their criteria	AR folio 99 and folios 104–107	Strong	All	Found and verified against the reports themselves	Assurance	GOV-13..16, A-11	Accurate. Reasonable assurance on Scope 1 and 2 is the mandated level for the first year and is not credited (A-16)

CLAIM ID	WORDING / PARAPHRASE	CLAIM OBJECT	CLAIM SOURCE & BASIS (OUT-TB-15)	DOC & LOCATION	STRENGTH	AUDIENCE	EVIDENCE REQ/FOUND/MISSING	TRIGGERED SCANS	RULE IDS	STATUS
C7	"The international agreement informing the target: Paris Agreement to limit global warming to 1.5°C", on all four voluntary targets	Target framing	**Self-declared**, and the required response to a standard disclosure item; not an alignment claim	AR folios 93–96	Moderate	Investors, public	Found: no SDA derivation, no validation, both stated "No"; the resilience section separately states 1.5°C plausibility has declined and models a 2.6°C base case	SBTi / alignment-label	T-SBTi-01, C-SBTi-02, OUT-TB-15	No overclaim. Answering the disclosure item is not an alignment assertion (§3.4)
C8	"In FY26, the North Star Junction Solar Farm generated 236 GWh of renewable electricity, avoiding an estimated 0.116 $MtCO_2$-e that would otherwise have been emitted by the Solomon gas power station"	Avoided-emissions counterfactual	**Self-declared**, estimated	AR folio 93 footnote; CTP p.14	Moderate	Investors, public	Found: implied 0.491 tCO_2e/MWh, plausible against a gas station. Not netted against the reported inventory	BAU / avoided-emissions	A-19, G-BAU, E-24	No apparent issue. Stated as an estimate and kept out of the inventory
C9	"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."	Credit use	**Self-declared**, describing a statutory obligation	AR folio 97; CTP p.21	Moderate	Investors, regulators, public	Found and consistent across sources. Silent on the 2040 net Scope 3 target	Offsets	E-08..22, G-11	Accurate as to Real Zero; the gap is what it does not say about C2 (F-7)
C10	Market-based Scope 2 of 0.53 $MtCO_2e$ for FY26	Scope 2 on a contractual basis	**Self-declared**, unaudited, no method published	FY26 ESG Databook, Climate (Emissions) only	Moderate	Carbon accountants	Missing: method, factor source, residual-mix basis, contractual instruments held	Renewable / market-based Scope 2	S2-28, E-01..24, 29(a)(v), B30–B31, A-05	Cannot verify the basis; the absence from the audited statement is the finding (F-11)
C11	Climate transition plan foreword: "This is the third climate transition plan I have been asked to externally peer review for Fortescue" (Dr Ben Caldecott, Oxford Sustainable Finance Group)	Third-party review of the plan	**Third-party opinion**, not an assurance engagement and not target validation	CTP pp.10–11	Moderate	Investors, public	Found. The target tables separately and correctly state third-party validation "No"	Framework-halo	T-SBTi-03, OUT-TB-15, A-16	No apparent issue. Correctly not presented as validation; recorded so the distinction stays visible

Annex D: Detailed findings, two-track (A-03)

D.1 Applicability gate & AASB S2 readiness (Sections 04–05)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D1-1	FY26 is Fortescue's first mandatory year. Group 1 entity, Ch 2M sustainability report prepared, directors' declaration under s296C/296D signed 20 Aug 2026, PwC opinion and conclusions obtained. Governance, strategy, risk management, scenario analysis (transition 1.5°C / <2°C / 2.6°C base case; physical SSP1-1.9 to SSP3-7.0 with SSP5-8.5 for sea level), quantified financial effects and an internal carbon price all present (E18, E22, E23)	Met	Substantive rather than formal: the scenario tables, thresholds (low US$100–500m, medium US$500m–1bn, high >US$1bn) and vulnerability metrics are disclosed with their inputs	No apparent issue · High	A reader can interrogate the risk work rather than take it	—
D1-2	First-year reliefs: C3 comparatives relief relied on and disclosed in Note 1; **C4(b) Scope 3 relief waived**, Scope 3 disclosed voluntarily in full (E19)	Met; both elections disclosed	Waiving C4(b) puts 99% of the footprint into the audited book when it could have been deferred entirely. Above baseline (A-16)	Positive (above baseline) · High	The rest of this review is possible for a reader because the Scope 3 data exists	—
D1-3	**Four AASB S2 target-disclosure requirements not met**: 33(e) base period absent for the Real Zero Target and the Scope 3 Target (present for Steelmaking and Shipping, N/A for the Safeguard target); 33(f) milestones and interim targets absent for all four voluntary targets; 36(c) associated gross target absent for the net Scope 3 target; 36(e) planned carbon-credit use absent for that target (E7, E8). C3 relieves comparative information only and does not reach current-period target attributes	**Potential compliance concern.** Four paragraph-level omissions in a statement carrying a compliance declaration	These are the disclosures that make a target testable; without them findings F-6 and F-7 cannot be resolved from the book	Potential compliance concern · High	A reader cannot test either absolute target	Add the four items to the target tables
D1-4	**29(a)(v) contractual-instrument information absent.** The audited Scope 2 note describes the location-based method only. Contractual instruments exist (137.01 GWh renewable electricity purchased; a market-based figure computed and published in the data pack at 0.53 against 0.39 Mt). 29(a)(v) is inside PwC's stated audited criteria (E3, E4, E5, E18)	**Potential compliance concern.** B30 requires the information where such instruments exist and inform users' understanding; a market-based position 36% above location-based meets that description	The audited book gives no signal that a materially worse contractual position exists	Potential compliance concern · Medium-high	A Scope 2 reader of the audited statement forms an incomplete view	Disclose the market-based figure, method and contracts in the climate statement

D.2 GHG inventory foundation & Scope 1 (Sections 06–07)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D2-1	Operational control applied consistently under NGER, then disaggregated to consolidated accounting group and other investees per 29(a)(iv); Iron Bridge 100% consolidated with a 69/31 disaggregation stated (E1). Scope 1 sources named with tracking method: diesel via a fuel management system reconciled to invoices, gas via monthly composition data, VLOCs via GLEC v3.2	Met	Boundary is testable and the equity/control distinction is legible	No apparent issue · High	—	—
D2-2	**Scope 1 rose 2.64 → 2.75 $MtCO_2e$ and the whole increase is gas.** Derived: gas +2.45 PJ at 51.53 $kgCO_2e/GJ$ = +0.126 Mt; diesel −6.46 ML at 2.71 t/kL = −0.018 Mt; net +0.108 Mt against a reported +0.11 Mt (E25). Company attributes the rise to ore shipped, Iron Bridge gas and material movement, which is consistent	Met (disclosed)	The cause is disclosed in words but not decomposed in quantities, so a reader cannot see that diesel actually fell while gas drove the whole increase	Decision-usefulness concern · High	The one lever moving in the right direction is invisible, and so is the size of the gas effect	Publish the fuel-level decomposition

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D2-3	**Biogenic Scope 1 considered, not quantified** (E6). Expected to arise primarily from land clearing; no figure while the applicability of the Land Sector and Removals Standard is assessed	Minor limitation; the consideration and the reason are disclosed	A disclosed intention to assess is neither a fault nor a credit (A-21). The residual is a cannot-verify item, not a completeness failure, given the scale against 2.75 Mt	Cannot verify: evidence not provided · Medium	Small residual uncertainty in Scope 1	A quantified or bounding estimate
D2-4	**Data-pack energy table states TJ against PJ values** (E24), across the reviewed year and both comparatives. Demonstrated against the company's own FY25 GJ figures and against 800.19 GWh = 2,881 TJ	Not an AASB S2 metric; the audited statements are unaffected	Anyone lifting the energy figures takes a number 1,000× too small; the values are right and the label is not	Decision-usefulness concern · High	Misstated energy figures in the supplementary pack	Correct the unit heading

D.3 Scope 2 & renewable electricity (Section 08)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D3-1	**Dual reporting exists but only one basis reaches the primary disclosure.** LB 0.39 in the AR, CTP, sustainability report and data pack; MB 0.53 in the data pack alone, with no method, factor source, residual-mix basis or contractual-instrument description anywhere, and no Scope 2 entry in the pack's Metrics Definitions sheet (E3, E4, E5)	Chains to D1-4 as a potential compliance concern under 29(a)(v)	The market-based position is 36% **worse** than location-based, which is the direction that matters, and it is the one a reader of the audited book never sees. Renewable electricity purchased fell 145.15 → 137.01 GWh while total purchases rose	Decision-usefulness concern · High	A reader cannot assess Fortescue's electricity contracting at all	Publish MB, its method and the contracts in the climate statement
D3-2	**Cause of the 0.14 Mt LB/MB gap is cannot-verify** (E4). An implied residual-mix factor near 0.80 t/MWh on the non-renewable balance would reconcile it, but no factor is published	Cannot verify (A-05)	Not asserted as a defect in the contracting; asserted as an undisclosed method	Cannot verify: material evidence missing · High	Open	The market-based method note
D3-3	No renewable-electricity claim is made anywhere in the FY26 suite (E29). Self-generated renewable electricity rose 0.65 → 0.85 PJ (180 → 236 GWh) and is reported as generation, not as a percentage claim	No apparent issue	The absence of a "100% renewable" style claim removes the commonest Scope 2 claim-quality risk. Not credited: making no claim is not above baseline	No apparent issue · High	—	—

D.4 Scope 3 & value chain (Section 09)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D4-1	All 15 categories addressed with an evaluation status; 11 quantified; C11, C12, C14, C15 marked not relevant each with a **stated basis** (intermediate products only; no franchises; assessed immaterial). Categories sum to 275.643 against a published 275.64 (E1, E2)	Met	Complete and reconcilable. The FY25 gap, categories shown without a stated materiality basis, is closed	No apparent issue · High	A supply-chain accountant can lift the whole set	—
D4-2	Category 10 (268.64 Mt, 96.4% of the footprint) modelled by CRU on regional average-data factors by product type across five destination groups, with the process stages included and excluded both stated (E2)	Met	Estimation is the expected starting point and is not a fault (S3-EST). The method is unusually well described for a downstream processing category	No apparent issue · High	—	Supplier-specific or mill-specific factors would reduce dependence on one consultancy's annual revision
D4-3	**Categories 1, 2 and 8 are spend-based** on Climatiq (EXIOBASE and CEDA) factors, UNSPSC-mapped, US-CPI inflation adjusted (E2)	Met	Recorded as an improvement note, not a fault (S3-EST, OUT-STK-03)	No apparent issue · High	—	—

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D4-4	**Absolute Category 10 rose 242.83 → 268.64 $MtCO_2e$ (+10.6%) over FY21–FY26** while the only 2030 lever over it is a 7.5% intensity target (E9, E26). The transition plan presents that intensity target as an interim milestone toward net zero Scope 3 by 2040	Met on disclosure; the trend is published	An intensity milestone does not constrain the absolute quantity the 2040 target must eliminate, and the quantity has grown every year since the baseline (T-14)	Decision-usefulness concern · High	A reader can take the intensity milestone as evidence the absolute target is on a pathway	Co-locate the absolute trend and set an absolute 2030 cap
D4-5	Category 15 assessed immaterial without a bounding estimate, but investee operational emissions are separately bounded at 0.06 Mt across Scope 1 and Scope 2 under 29(a)(iv) (E1)	Met	The 29(a)(iv) disaggregation supplies the bound OUT-STK-13 would otherwise require	No apparent issue · Medium-high	—	—

D.5 Offsets, credits & net claims (Section 10)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D5-1	Voluntary offsetting ceased in 2023; Safeguard units acquired and surrendered for compliance only (~0.3 $MtCO_2e$ FY26, US$9m); expressly **not** used for the Real Zero Target; SMC preferred over ACCU (E23, C9)	Met	The gross discipline on the operational target is real and stated. Above baseline in combination with the absolute gross target (A-16), recorded at F-1	Positive (above baseline) · High	A reader can be confident the 2030 operational target cannot be met by purchase	—
D5-2	**The 2040 Scope 3 target is net and the netting is undisclosed** (E8, C2). No associated gross target (36(c)); nothing on extent of reliance, crediting schemes, credit type, removal-versus-reduction or permanence (36(e)). The credits paragraph addresses Real Zero and is silent on this target	**Potential compliance concern** under 36(c) and 36(e); chains to D1-3	Over 275.64 $MtCO_2e$ the difference between a gross and an unlimited-netting commitment is up to 275 Mt. A reader cannot tell which has been committed to	Serious compliance / misleading-risk concern · High	The commitment over 99% of the footprint is unbounded in substance	Publish the associated gross target, the residual quantity, the credit types and the verification scheme

D.6 Targets & transition (Section 11)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D6-1	**No quantified pathway to Real Zero** (E7, E14, E15). Covered emissions 2.35 → 2.60 → 2.72 $MtCO_2e$ (+15.7% over two years); decline stated to begin FY28; no base period, no interim target, no abatement quantity attached to any milestone; the plan states decline will not be uniform; the final mobile-equipment milestone is FY31 against a target date of "the end of 2030" whose year-end basis is not stated	Chains to D1-3 (33(e), 33(f))	An absolute target with a rising base, four years out, cannot be tested by anyone until it falls due	Decision-usefulness concern, escalated to potential compliance concern via D1-3 · High	The nearer of the two headline commitments is unpriceable	A year-by-year abatement pathway in $MtCO_2e$ by lever, plus the base period and the year-end basis
D6-2	**FY21 Steelmaking baseline restated** (E9, E10, E11). Ore shipped 185.9 → 182.18 Mt; emissions 242.83 → 246.14 $MtCO_2e$; intensity 1.30624 → 1.35110. FY26 actual 1.33436 is **+2.15% against the prior baseline** and **−1.24% against the restated one**. 2030 endpoint moves from ~1.208 to ~1.250, about 8.35 $MtCO_2e$ at FY26 volumes. Disclosed in the data pack Note 3 as correcting a carried-forward system error; the AR and CTP print the new figure without comment; no before/after values published. The original FY21 figure of 242.83 appears in the FY22 databook and the FY23 Climate Change Report	Minor limitation on disclosure of the fact; **decision-usefulness concern** on its placement and completeness	The reported direction of travel against the only 2030 lever over 96% of the footprint changes sign on the restatement, and a reader needs last year's superseded pack to see it. No intent is inferred: the stated reason is a correction, and 182.18 Mt is consistent with Fortescue's actual FY21 shipments	Decision-usefulness concern · High	Progress against C3 is not readable on a single basis	Publish the prior baseline beside the corrected one, the size and components of the correction, and the effect on the 2030 endpoint

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D6-3	**This year's intensity movement is external and mix-driven on the company's own account** (E12): CRU factor revision, higher Iron Bridge concentrate and lump share, partly offset by more low-grade fines	Met on disclosure; the drivers are stated	None of the three drivers is abatement Fortescue delivered. Read as progress toward the 2030 target it overstates what has been achieved (A-19, G-BAU)	Decision-usefulness concern · High	The one number moving toward the target is a third party's factor revision	Report the factor, mix and own-action components separately
D6-4	Shipping target: FY26 intensity 0.018924 against a baseline of 0.022341, **−15.30%** verified, against a −50% target for 2030; flat for three years within the current series; baseline computed on voyage distance where current years use fuel consumption, which the company discloses; the baseline ore-shipped figure was also restated (E13)	Met; the non-comparability is disclosed	Partly real (chartering policy, eco steaming, energy-saving devices), but the real component cannot be separated from the method change	Decision-usefulness concern · Medium	Progress against C4 is directionally right and not sizeable	Publish the like-for-like series
D6-5	No target was weakened, retired, re-dated or re-scoped in FY26; all four voluntary targets are retained on unchanged dates and boundaries (E7, E8, E9, E13)	Met	Continuity earns no credit (A-16), but its absence would have been a finding. Recorded so the trajectory reads correctly	No apparent issue · High	—	—
D6-6	SBTi validation disclosed as paused pending the initiative's own standards review, with re-initiation being assessed; every target table records third-party validation "No"; no "1.5°C aligned" self-label anywhere in the suite (E28, E29)	Met	The FY25 alignment-label exposure is closed. Not credited: accurate labelling is baseline (A-16, A-18)	No apparent issue · High	—	—

D.7 Governance, remuneration & assurance (Section 12)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D7-1	Board retains oversight; Safety and Sustainability Committee primary; AFRMC on controls and assurance; People, Remuneration and Nomination Committee on climate pay metrics; quarterly Board updates; a Decarbonisation Steering Committee below management. Management responsibility expressly **not** delegated to a single position (E18, AR folio 72)	Met	Disclosed clearly; baseline for a Group 1 entity and not credited (A-16)	No apparent issue · High	—	—
D7-2	Assurance: reasonable on Scope 1 and 2 (the mandated level for the first year), limited on governance and strategy, limited on Scope 3 (voluntary), limited on Eligible Project Cumulative Spend. All four reports printed with their AASB S2 criteria (E18)	Met	Obtaining limited assurance over a voluntarily disclosed Scope 3 is above the required scope; the mandated reasonable assurance is baseline and is not credited	Qualified positive · High	The dominant 99% of the footprint sits at the lower assurance level	Reasonable assurance over Category 10 as the method matures
D7-3	**Decarbonisation ESSIP block paid 17.5 against a weight of 15 while covered emissions rose 4.6%** (E20). Three measures: integrated decarbonisation schedule (delivery of schedule and budget, 10/10); advance pathways to profitably decarbonise 1% of remaining hard-to-abate emissions (1.9% achieved, 3.75/2.5); renewable power and mobile equipment US$350m capital reduction (US$491m achieved, 3.75/2.5). None is an emissions outturn. Climate-related measures total 32.5% of the CEOs' ESSIP, 28.8% for other KMP, 20.8% of the FY24 LTIP, 33.3% of the SIP	Met on disclosure; the scorecard, the weights and the outcomes are all published	Process, delivery and cost measures can be exceeded while the emissions they exist to reduce rise. A reader reasonably reads an above-weight climate scorecard outcome as emissions progress (T-PROC-05, A-19)	Decision-usefulness concern · High	Pay signals progress the inventory does not show	Add an emissions-outturn measure on the Real Zero boundary
D7-4	**Connected-information gap on Iron Bridge** (E21, E12). The climate statement names Iron Bridge as the driver of the Scope 1 rise and, via concentrate sales, of the intensity fall; the financial statements record a US$750m pre-tax impairment on the same CGU for a revised ramp-up. The climate statement's connectivity note does not address it	Minor limitation	The product-mix lever behind the Steelmaking Target and the asset written down on a revised production outlook are the same asset; a reader testing that target would want both facts together	Decision-usefulness concern · Medium-high	The durability of this year's mix-driven intensity gain is not assessable	Connect the revised ramp-up to the product-mix assumption and state the effect on the 2030 endpoint

D.8 Sector module & new-module findings (Section 13)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D8-1	**Mining module (SEC-MIN).** Downstream processing of sold products is the dominant category and is quantified with a described method and regional segmentation; product-grade strategy (Iron Bridge concentrate, lump, Belinga) is disclosed as the transition lever; the grade-preference divergence across the three transition scenarios is tabled (E2, E9, E22)	Met	The sector's characteristic disclosure gap, an unquantified customer footprint, does not arise here	No apparent issue · High	—	—
D8-2	**Mining module: reserve and life-of-mine linkage.** The impairment note records that management "considers the impact of material climate-related risks, both transitional and physical, on estimates of future costs and useful lives of assets" (E21), but no climate-adjusted reserve or life-of-mine sensitivity is disclosed	Minor limitation	A generic statement of consideration without a sensitivity leaves an investor unable to size the effect of the transition scenarios on carrying values	Decision-usefulness concern · Medium	Transition exposure to asset values is not quantified	Disclose the climate sensitivity applied in the impairment models
D8-3	Safeguard Mechanism: seven covered facilities named (Iron Bridge, Cloudbreak, Christmas Creek, Solomon, Eliwana, Solomon Power Station, Rail); FY26 requirement ~0.3 $MtCO_2e$; baseline-setting mechanics and the new-facility international-best-practice benchmark for Iron Bridge explained; modelled exposure US$53m at US$27/t and US$142m at US$71/t (E23)	Met	Unusually full disclosure of a statutory scheme's mechanics and the entity's exposure under it	No apparent issue · High	—	—
D8-4	SEC-INV-LT-17 / T-INV-01 screen: Fortescue holds equity investments (Alta Copper, Fortescue Capital, a US$150m renewable infrastructure fund with Catalyst) and joint ventures. Investee operational emissions are bounded at 0.06 Mt (E1); Category 15 assessed immaterial	Met	No material inherited emissions-growth exposure identified. Investments are weighted toward renewable infrastructure and critical minerals rather than fossil assets	No apparent issue · Medium-high	—	—

Financed-emissions target headroom & benchmark (SEC-FI-TGT-04): N/A, not a financial institution.

SECTOR TARGET	LATEST REPORTED	TARGET VALUE	% CHANGE PERMITTED	FLAT-LINE BENCHMARK	FOSSIL-FUEL OVERRIDE?	RULING
N/A	N/A	N/A	N/A	N/A	N/A	Not a financial institution

D.9 Nature & physical risk (Section 14)

ID	FINDING & EVIDENCE CHAIN	MIN-COMPLIANCE	DECISION-USEFULNESS / CLAIM-QUALITY	SEVERITY · CONFIDENCE	CONSEQUENCE	WHAT WOULD FIX IT
D9-1	Seven climate hazards profiled; site-level modelling on CMIP6 downscaled projections; SSP1-2.6 quantitative low-warming case with SSP1-1.9 assessed qualitatively and the equivalence reasoned; SSP3-7.0 primary high case, SSP5-8.5 for sea level on data availability; severity-weighted expected annual impacts with a worked example (a 1-in-200-year cyclone contributing ~0.5 days) (E17, E22)	Met	Relevance and methodology transparency are both satisfied. The review does not judge the scientific quality of the modelling	Positive (above baseline) · High	An investor can re-run the arithmetic with their own assumptions	—
D9-2	Chronic hazards stated as not yet incorporated; scope limited to the Pilbara iron ore value chain, with the limitation stated and a commitment to review scope as the portfolio changes	Minor limitation	A disclosed intention to extend is neither a fault nor a credit (A-21); the present treatment is sound and scoped in terms	No apparent issue · High	—	—
D9-3	Nature disclosure (net positive impact goal, A$3m FY26 and A$13m since FY24 in biodiversity partnerships, Fortescue Marsh managed aquifer recharge, 226,879 ML abstracted with 145,230 ML reinjected) sits in the standalone Sustainability Report, not the climate statement	Met; nature is outside AASB S2	Recorded for completeness; not scored under a climate protocol	Not assessed in detail · Medium	—	—

Annex E: Cross-rule escalation chains (AI-06 / AI-23)

BASE ISSUE	CHAINS TO	RULE + EVIDENCE IDS	ESCALATED SEVERITY
No base period, interim target or abatement pathway for the Real Zero Target (D6-1)	The AASB S2 compliance position, because 33(e) and 33(f) are mandatory in the reviewed year and the statement carries a compliance declaration	33(e), 33(f), S2-38..42 · E7, E14, E15	Decision-usefulness concern → **potential compliance concern**
The 2040 Scope 3 target is net with the netting undisclosed (D5-2)	The headline-claim ceiling, because the target covers 99% of the footprint and the difference between gross and unlimited netting is the substance of the commitment	A-17, 36(c), 36(e), T-14 · E8	Decision-usefulness concern → **serious compliance / misleading-risk concern**
Market-based Scope 2 published without method and absent from the audited statement (D3-1)	The AASB S2 compliance position, because 29(a)(v) contractual-instrument information is inside PwC's stated audited criteria	29(a)(v), B30–B31, S2-28 · E3, E4, E5, E18	Decision-usefulness concern → **potential compliance concern**
FY21 steelmaking baseline restated with the explanation in one unaudited source (D6-2)	Progress against the only 2030 lever over 96% of the footprint, and through it the retail and investor readings of target achievement	T-BASE-01, YOY-04, G-10 · E9, E10, E11	Minor limitation → **decision-usefulness concern**
Decarbonisation scorecard block paid above weight on non-emissions measures while covered emissions rose (D7-3)	The credibility of the pay-to-target link, because 32.5% of the CEOs' short-term scorecard is described as climate-related	T-PROC-05, GOV-09..12, A-19 · E20	Minor limitation → **decision-usefulness concern**
Intensity target presented as an interim milestone while absolute Category 10 rose 10.6% (D4-4)	The credibility of the 2040 absolute target, whose eliminable quantity has grown every year since the baseline	T-14, A-19 · E9, E26	Decision-usefulness concern (held; no further escalation)

Annex F: NoCO2 Net Zero Required Interventions, CAAM & Prohibited Activities screen (OUT-05)

SCREEN	OUTPUT	BASIS
Required Interventions Schedule	Applicable	At-source elimination of diesel and gas across Pilbara mining, rail and stationary power is the intervention the Standard would require for this profile, and it is the path already chosen; the gap is the quantified trajectory, not the intervention choice (D6-1)
Clean Alternative Assessment	Potentially applicable; evidence required	Continued gas firing at Solomon Power Station during the Iron Bridge ramp-up is the single largest driver of the FY26 increase (D2-2). A documented assessment of when it is displaced, and by what, would satisfy the screen
Prohibited Activities Schedule	Not apparently applicable	No activity identified in the reviewed materials that would fall within the schedule. Iron ore extraction and the sale of intermediate products are not prohibited activities; the customer-steelmaking footprint is addressed through the influenced-emissions treatment (§6.1) rather than this screen

Annex G: Rule-application table

RULE FAMILY	APPLIED?	RESULT
Applicability gate (L / S2-01..06)	Yes	Group 1 entity, FY26 first mandatory year, Ch 2M sustainability report prepared, directors' declaration s296C/296D. Gate passed (D1-1)
GHG inventory foundation (G / GHG-STD)	Yes	Operational control applied consistently, 29(a)(iv) disaggregation present, categories reconcile to the published total. Biogenic Scope 1 unquantified (D2-1, D2-3); data-pack energy unit label wrong (D2-4)

RULE FAMILY	APPLIED?	RESULT
Scope 1 (G-06 / S2-26)	Yes	2.75 $MtCO_2e$, reasonable assurance; increase decomposed to gas at Solomon Power Station (D2-2)
Scope 2 & renewables (E / S2-28)	Yes	Location-based 0.39 in the audited statement; market-based 0.53 in the data pack only, no method, no contractual-instrument disclosure (D3-1, D3-2). No renewable-electricity claim (D3-3)
Scope 3 (S3 / S3A / G-15)	Yes	All 15 categories addressed with stated bases; Category 10 quantified with method; absolute Category 10 rose 10.6% over the series against an intensity-only 2030 lever (D4-1 to D4-5)
Offsets / net claims (E-08..22 / G-11)	Yes	Voluntary offsetting ceased, Safeguard units compliance-only and excluded from Real Zero (D5-1); the 2040 Scope 3 target is net with the netting undisclosed (D5-2)
Targets & transition (T / S2-14/15/40)	Yes	No pathway, base period or interim target for Real Zero (D6-1); FY21 steelmaking baseline restated (D6-2); this year's intensity movement is external and mix-driven (D6-3); shipping partly real (D6-4); no target weakened (D6-5); SBTi position accurate (D6-6)
Governance / remuneration / assurance (GOV / A-11)	Yes	Governance baseline met (D7-1); assurance above the required scope on Scope 3 (D7-2); decarbonisation pay block paid above weight on non-emissions measures (D7-3); Iron Bridge connectivity gap (D7-4)
Sector (SEC-*)	Yes, mining	Downstream processing quantified (D8-1); no climate-adjusted reserve or life-of-mine sensitivity (D8-2); Safeguard exposure disclosed (D8-3)
SEC-FI-TGT-04	No	Not a financial institution
SEC-FI-05A	No	Not a financial institution
SEC-SF / SEC-INV-LT	Yes, screen only	No material inherited emissions-growth exposure; investee operational emissions bounded at 0.06 Mt (D8-4)
NOCO2-MAP-01/02	Yes	Clause-level mapping at §6.1; §6.1 mechanisms cite specific clause numbers
Nature / physical risk (N)	Yes	Physical-risk assessment quantified and methodologically transparent (D9-1); chronic hazards not yet incorporated, disclosed (D9-2); nature disclosure outside the climate protocol (D9-3)

Annex H: Evidence requests / cannot-verify items (AI-21 / A-05)

ID	ITEM	PACK	EVIDENCE REQUESTED	STATUS
K-01	Scope 2 market-based basis	Renewable electricity	The FY26 market-based Scope 2 method note; the contractual instruments held with volumes and terms; the residual-mix factor applied and its source; retirement or cancellation records where certificates are involved	Open
K-02	Biogenic Scope 1	Scope 3 / inventory	A quantified or bounding estimate of land-clearing biogenic emissions for FY26, or the assessment concluding it cannot yet be estimated	Open
K-03	FY2025-26 NGER return	Assurance / statutory	The FY2025-26 NGER register row once published, for reconciliation against the disclosed Scope 1 and location-based Scope 2 after boundary normalisation	Open, timing only
K-04	FY21 steelmaking baseline restatement	Target progress	The baseline as previously stated, the corrected figure, the split between the ore-shipped and emissions components, and the effect on the 2030 endpoint	Open
K-05	FY26 Emissions Calculation Methodology	Scope 3 / inventory	The standalone published methodology, for emission factors, the base-year recalculation policy and the restatement threshold	Open, document not obtained for this review
K-06	Real Zero target period basis	Target progress	Whether "the end of 2030" refers to calendar 2030 or FY2030, and where the FY31 mobile-equipment milestone falls relative to it	Open
K-07	Real Zero abatement pathway	Target progress	Year-by-year abatement quantities in $MtCO_2e$ to 2030, attributed by lever, with the base period	Open

ID	ITEM	PACK	EVIDENCE REQUESTED	STATUS
K-08	2040 Scope 3 net target architecture	Offsets	The associated gross target, the residual quantity, the planned credit types and volumes, the crediting schemes and the permanence assumptions	Open
K-09	Iron Bridge climate sensitivity	Target progress	The climate-related sensitivity applied in the Iron Bridge impairment model and the effect of the revised ramp-up on the Steelmaking Target's product-mix assumption	Open

Annex I: Evidence-chain & triggered-scan log (AI-10)

CHAIN ID	TRIGGER	FOLLOW-UP SCANS RUN	EVIDENCE IDS	FINAL LABEL
M-01	Net zero claim ("net zero Scope 3 by 2040")	Target boundary, transition plan, Scope 1/2/3, gross versus net, residual emissions, offsets, removals, assurance scope, prior claims, reader-burden caveats (§10, §11, §03)	E8, E23, E27, C2, C9	Serious compliance / misleading-risk concern (D5-2)
M-02	Target achievement / on-track language	Boundary, baseline, current year, progress calculation, gross/net, offsets, Scope 3 coverage, method changes, restatements, assurance, remuneration links (§11)	E7, E9, E10, E11, E12, E13, E14, E20	Decision-usefulness concern (D6-1, D6-2, D6-3)
M-03	Market-based Scope 2 figure detected	Location- versus market-based, consumption, certificate evidence, ownership, retirement, timing, residual mix, wording (§08)	E3, E4, E5, C10	Potential compliance concern + cannot verify (D3-1, D3-2, D1-4)
M-04	Scope 3 disclosed / categories selected	Category coverage, business-model-obvious categories, exclusions, data quality, spend versus supplier-specific, target boundary, consistency (§09)	E1, E2	No apparent issue (D4-1 to D4-3)
M-05	Assurance statements present	Subject matter, level, assured metrics, exclusions, qualifications, Scope 3 completeness, whether nearby claims imply broader assurance (§12)	E18	No apparent issue; qualified positive (D7-2)
M-06	Climate-linked remuneration	Metric boundary, gross/net, Scope 3 inclusion, offsets, target progress, assurance, controls (§12)	E20	Decision-usefulness concern (D7-3)
M-07	Method / boundary / factor / base-year / restatement change	Time-series comparability, baseline recalculation, target progress, real versus accounting movement, peer comparability (§06, §11)	E9, E10, E11, E24, E26	Decision-usefulness concern (D6-2, D2-4)
M-08	SBTi / "science-based" / "1.5°C" label	Exact validated wording, version, validation date, scope, validated-versus-claimed gap, framework halo (§11, §03)	E28, E29, C7, C11	No apparent issue (D6-6, decision D-008, D-009)
M-09	Any reduction or target-progress claim: business-as-usual decomposition	Scope 1 fuel decomposition; Scope 2 grid factor versus consumption versus instruments; Scope 3 factor revision versus mix versus supplier decarbonisation (§06, §03)	E5, E12, E25	Decision-usefulness concern (D2-2, D6-3)
M-10	Combined "Scope 1+2" figures reported	Decomposed into Scope 1 and Scope 2, and Scope 2 into location- and market-based, in §3.1, §3.3 and §3.4 (§06, §07, §08)	E1, E4, E25, E26	Applied throughout; no lump figure analysed
M-11	Australian entity; metrics appearing in more than one source	NGER register lookup; cross-source consistency matrix; boundary and period normalisation before flagging (§16, §01)	E30, Annex J	Cannot verify for the reviewed year (decision D-013)
M-12	More than one period and report type available	Multi-period series FY2021 to FY2026; restatement and rebasing detection; dropped and added disclosures; target weakening; cross-report-type divergence; certification continuity (§17, §06, §11)	E10, E11, E19, E26, E28, E29	Applied; Annex K
M-13	Coverage-percentage claim screen	Numerator, denominator, excluded categories	E27, C1	No coverage percentage is claimed for FY26; the ratio is stated in the transition plan instead. Screen closed without a finding

CHAIN ID	TRIGGER	FOLLOW-UP SCANS RUN	EVIDENCE IDS	FINAL LABEL
M-14	Completeness word beside a named quantity	Bounded-on-its-face test before testing the claim	C1, E27	"Real Zero" is bounded on its face by the boundary in its own sentence; tested for reader impression rather than on the size of the quantity
M-15	Disclosed intention to review, extend or improve	Forward candour is neither fault nor credit; tested for a restated-and-undelivered pattern across periods	E6, D9-2	Neutral. Biogenic quantification and chronic-hazard extension are first-stated in FY26, so no pattern arises
M-16	Source described as controlled by another party	Which-scope test before writing any exclusion or cannot-verify finding	E1, E2	Applied. Customer steelmaking and third-party shipping are Scope 3, so operational control is irrelevant to them and no boundary excuse is available or claimed
M-17	Equity and fund investments held	Inherited emissions-growth look-through; investee weights and headroom	E1, D8-4	No material exposure; investee operational emissions bounded at 0.06 Mt
M-18	Transition plan / low-carbon opportunity	Actions, capital, dependencies, milestones, Scope 3 coverage, scenario analysis, financial effects, delivery risk (§11)	E15, E16, E22, E23	Positive on capital and delivery (D-, F-2); decision-usefulness concern on quantification (D6-1)

Annex J: Cross-source consistency matrix & disclosure-risk register (DR-01..DR-07 / A-01C / OUT-TB-18)

O.1 Cross-source consistency matrix (DR-02)

CLAIM / METRIC	ANNUAL / FINANCIAL REPORT	SUSTAINABILITY / ESG	MARKETING / WEBSITE	CLIMATE ACTIVE PDS	CDP	INVESTOR PRESENTATIONS	NGER / CER / SAFEGUARD	BOUNDARY/PERIOD NORMALISATION	DIVERGENCE?
Scope 1 FY26	2.75 $MtCO_2e$ (folio 92, reasonable assurance)	2.75 (CTP p.18; databook)	Not stated separately	N/A	Not reviewed	Not stated	Safeguard covers 7 facilities; ~0.3 Mt units	Same boundary and period across all sources	None
Scope 2 location-based FY26	0.39 $MtCO_2e$ (folio 92, reasonable assurance)	0.39 (CTP p.18; databook)	Not stated	N/A	Not reviewed	Not stated	Not separately published for FY26	Same	None
Scope 2 market-based FY26	**Absent**	0.53 $MtCO_2e$ (databook only; absent from the CTP and the sustainability report)	Not stated	N/A	Not reviewed	Not stated	N/A	One source only	Not a divergence between sources; the finding is the absence from the audited statement and the missing method (D3-1, D1-4)
Scope 3 total FY26	275.64 $MtCO_2e$ (folio 92, limited assurance)	275.64 (CTP p.30; databook)	Not stated	N/A	Not reviewed	Not stated	Not in scope of NGER	Same	None
FY25 comparatives	Omitted under the disclosed first-year relief	Published (CTP pp.18, 33; databook)	Not stated	N/A	Not reviewed	Not stated	N/A	Relief disclosed in Note 1	None. A reader of the audited book alone sees one year, which is the relief operating as intended

CLAIM / METRIC	ANNUAL / FINANCIAL REPORT	SUSTAINABILITY / ESG	MARKETING / WEBSITE	CLIMATE ACTIVE PDS	CDP	INVESTOR PRESENTATIONS	NGER / CER / SAFEGUARD	BOUNDARY/PERIOD NORMALISATION	DIVERGENCE?
FY21 steelmaking baseline	182.18 Mt / 246.14 $MtCO_2e$ / 1.35 (folio 94), printed without a change note	Same figures (CTP p.33); databook Note 3 explains the correction	Not stated	N/A	Not reviewed	Not stated	N/A	Prior packs carried 185.9 / 242.83 / 1.31	Figures agree across sources; the explanation reaches only the data pack (D6-2)
Categories 11, 12, 14, 15	"—" with a stated not-relevant basis (folio 102)	"0" (databook)	Not stated	N/A	Not reviewed	Not stated	N/A	Both mean not counted	None after normalisation
Energy consumption FY26	Not disclosed in the climate statement	45.27 stated as TJ where the value is PJ (databook)	Not stated	N/A	Not reviewed	Not stated	Net energy is an NGER metric, FY2025-26 unpublished	Cross-checked against the FY25 GJ figures and against 800.19 GWh	**Internal unit-label defect, not a divergence between sources (D2-4)**
Real Zero target wording	Full boundary stated (folio 93)	Full boundary stated (CTP p.19; Sustainability Report p.25 and glossary)	Consistent	N/A	Not reviewed	"Real Zero" used as a program name in the results announcement without the boundary	N/A	Same target	None on wording. The composite-impression question is at P2, not here
Assurance level	Reasonable on Scope 1 and 2, limited on Scope 3, governance and strategy, and Eligible Project Spend (folios 104–107)	Databook assurance sheet describes the same arrangement	Not stated	N/A	Not reviewed	Not stated	N/A	Same	None

O.2 NGER statutory reconciliation (A-01C)

METRIC	DISCLOSED (REPORT)	NGER REGISTER (YEAR · AS-AT)	BOUNDARY DIFFERENCE	RECONCILED?	LABEL
Scope 1	FY26: 2.75 $MtCO_2e$ (Group, global, operational control)	**FY2025-26 register not published at the review date.** Latest published: FY2024-25, as at 27 Feb 2026, FORTESCUE LTD (ABN 57 002 594 872), 2,255,843 t	NGER is Australian facilities only; the disclosed figure is global. Period differs from the reviewed year	Not for the reviewed year	**Cannot verify: evidence not available for the period**
Scope 2 (location-based)	FY26: 0.39 $MtCO_2e$ (Group, global)	FY2024-25: 806,331 t	Same boundary differences, and the NGER measurement basis differs from the corporate basis. The prior-period figures move in opposite directions relative to the disclosed ones, which cannot be resolved without the reconciling items	Not for the reviewed year; the prior-period difference is an undisclosed reconciling item	**Cannot verify. Recorded as prior-period context only; a divergence in the FY2024-25 register is a question for the FY2025 period, not a FY2026 finding (decision D-013)**
Net energy (GJ)	Not disclosed in the climate statement; the data pack states 45.27 with a defective unit label	FY2024-25: 38,361,571 GJ	Australian facilities only versus global; NGER net energy is not the same measure as energy consumed within the organisation	Not attempted for the reviewed year	**Cannot verify**

Absence from a register is never read as zero emissions, and the unpublished FY2025-26 register is a timing matter, not a finding against the entity.

O.3 Disclosure-risk register (DR-01 / DR-03..DR-07)

#	LENS	EXPOSURE & CONFIDENCE	DRIVER (FINDING / EVIDENCE IDS)	CROSS-SOURCE LINK (DR-02)	WHAT WOULD REDUCE IT
O-1	Legal (misleading-conduct / disclosure / director-duty)	Moderate · medium	"Real Zero" as an organising name over about 1% of the footprint, with the other 99% under a net target whose netting is undisclosed (D5-2, P2). Held at moderate because the boundary is co-located at every substantive mention	Real Zero wording row; consistent across sources	State the proportion of the footprint each target covers wherever it is named; quantify the permitted netting
O-2	Regulatory (AASB S2 / ASIC)	Moderate to elevated · high	Five paragraph-level gaps in a first mandatory filing carrying a directors' declaration: 33(e), 33(f), 36(c), 36(e) and 29(a)(v), the last inside the audited criteria (D1-3, D1-4)	Market-based Scope 2 row	Close the five in the FY27 statement, and by supplementary disclosure sooner where practical
O-3	Regulatory (Clean Energy Regulator / Safeguard)	Low · high	Seven covered facilities, FY26 requirement about 0.3 $MtCO_2e$, mechanics and modelled exposure disclosed, compliance-only use stated (D8-3, E23)	Safeguard column	—
O-4	Technology (dependence on unproven abatement)	Elevated · high	Battery-electric haulage at fleet scale, rail electrification at engineering-validation stage, an integrated off-grid renewable system, all against a 2030 date, with the plan itself stating first-mover cost and sequencing risk and placing full mobile-equipment deployment at FY31 (D6-1, E15)	Not a cross-source matter	Publish the abatement quantity per lever and the fallback where a lever slips
O-5	Physical (physical-risk disclosure consistency)	Low · high	Quantified, inputs disclosed, scope limitation stated, FY26 outturn reported as no material impact; chronic hazards stated as not yet incorporated (D9-1, D9-2)	Consistent across sources	Extend quantification to chronic hazards
O-6	Other: remuneration	Moderate · high	The decarbonisation scorecard block paid 17.5 against a weight of 15 on three non-emissions measures while covered emissions rose 4.6%; climate-related measures are 32.5% of the CEOs' short-term scorecard (D7-3, E20)	Remuneration report versus climate statement	Add an emissions-outturn measure on the Real Zero boundary
O-7	Other: comparability over time	Moderate · high	The FY21 steelmaking baseline restated with the explanation in one unaudited source, no before-and-after values, and reported progress reversing sign on it (D6-2)	FY21 baseline row	Publish the prior baseline, the correction's components and the effect on the 2030 endpoint
O-8	Other: reporting accuracy	Low · high	The data pack's energy table understated a thousandfold by its stated unit across three years (D2-4)	Energy row	Correct the unit heading

Annex K: Longitudinal series & cross-period tracking register (YOY-01..08 / OUT-TB-19)

P.1 Multi-period headline series (YOY-02)

METRIC / CLAIM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	SOURCE(S) PER CELL	BOUNDARY/METHOD NORMALISATION
Scope 1 ($MtCO_2e$)	2.40	2.21	2.20	2.36	2.64	2.75	FY22 databook Planet r.10–11 (FY21); FY23 Climate Change Report comparative table (FY22, FY23); FY25 databook (FY24, FY25); AR folio 92 (FY26)	Group, operational control, gross, throughout. FY21 and FY22 are the sum of the excluding-shipping and shipping rows as the company printed the total
Scope 2 location-based ($MtCO_2e$)	0.16	0.33	0.35	0.37	0.38	0.39	Same sources	Group, location-based, throughout

METRIC / CLAIM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	SOURCE(S) PER CELL	BOUNDARY/METHOD NORMALISATION
Scope 2 market-based ($MtCO_2e$)	Not published	Not published	0.54	0.50	0.52	0.53	FY25 databook (FY23–FY25); FY26 databook (FY26)	Data pack only in every year; no method published in any year
Scope 3 by category, total ($MtCO_2e$)	247.06	254.73	267.61	269.19	275.94	275.64	FY22 databook Planet r.32 (FY21, FY22); FY23 Climate Change Report (FY23); FY26 databook (FY24, FY25 as restated); AR folio 92 (FY26)	FY24 and FY25 as restated in the FY26 pack; FY25 was 275.88 as first published
Category 10, customer steelmaking ($MtCO_2e$)	242.83	250.37	261.46	262.16	269.20	268.64	Same sources	Consistent CRU average-data basis from FY22 onward
Total footprint ($MtCO_2e$)	249.62	257.27	270.16	271.92	278.96	278.77	Derived: Scope 1 + Scope 2 location-based + Scope 3	Location-based Scope 2 only, so no double count
Steelmaking intensity ($MtCO_2e$/Mt)	1.31 as published to FY25; 1.35 as restated in FY26	1.33	1.361	1.368	1.357	1.334	FY25 databook; AR folio 94 and FY26 databook (FY26 and the restated baseline)	**Not like-for-like against the baseline**: the company states the baseline used global sectoral factors where FY22 onward use product- and location-specific factors
Shipping intensity ($MtCO_2e$/Mt)	0.022 (restated; 0.0176 pre-restatement)	Not published	0.016	0.019	0.019	0.019	FY24 databook (pre-restatement); FY25 databook; AR folio 95	Baseline computed on voyage distance; FY24 onward on fuel consumption. Disclosed
Renewable electricity purchased (GWh)	0.7	108.46	131.01	142.58	145.15	137.01	FY23 Climate Change Report (FY21); FY24 databook Product r.44 (FY22 and FY23 as corrected); FY25 and FY26 databooks	Purchased only; excludes self-generation. FY22 and FY23 as corrected in the FY24 databook (see P2-9)
Self-generated renewable electricity (GWh)	0	0	0	0	180.4	236.1	FY25 databook (GJ, converted); FY26 databook	North Star Junction from FY25
Offset / certificate volume ($MtCO_2e$)	0.20 voluntary	0.26 voluntary	0.34 voluntary	Compliance only	Compliance only	Compliance only, about 0.3 Mt Safeguard units	FY22 databook Planet r.9 versus r.13; FY23 Climate Change Report; AR folio 97	Voluntary offsetting ceased in 2023; Safeguard units are a statutory obligation
Headline target set	Net Scope 1 and 2 to zero by 2030	Real Zero adopted; four targets set	Four targets	Four targets	Four targets	Four targets, unchanged	FY22 databook; FY23 Climate Change Report; CTP each year	The 2022 change from a net operational target to a gross one is a strengthening
Carbon-neutral / net-zero claim status	Net operational target with offsets	Offsetting winding down	Voluntary offsetting ceased	No neutrality claim	No neutrality claim; "1.5°C aligned" self-label present	No neutrality claim; **no "1.5°C aligned" self-label**; no target described as validated	Full-text search of each suite	Claim set narrowed and became more accurate in FY26

P.2 Silent restatement & baseline-rebasing log (YOY-04)

#	FIGURE / BASELINE	AS STATED IN REPORT OF THE PERIOD	AS RESTATED IN A LATER REPORT	DISCLOSED & LIKE-FOR-LIKE?	EFFECT ON AN ON-TRACK / PAY / FINANCING CLAIM	LABEL
P2-1	**FY21 Steelmaking baseline, ore shipped**	185.9 Mt (FY25 databook)	182.18 Mt (FY26 databook, AR folio 94, CTP p.33)	Fact of the correction disclosed in the data pack Note 3 only; no before/after values; not narrated in the AR or the CTP, which print the new figure	Combines with P2-2 to lift baseline intensity	**Decision-usefulness concern. The correction itself is consistent with Fortescue's actual FY21 shipments**
P2-2	**FY21 Steelmaking baseline, emissions**	242.83 $MtCO_2e$ (FY22 databook Planet r.25; FY23 Climate Change Report; FY25 databook)	246.14 $MtCO_2e$ (FY26 pack)	Same. The components of the change are not published, and this component is not explained by the shipment correction	Combines with P2-1	**Decision-usefulness concern; components cannot-verify (K-04)**
P2-3	**FY21 Steelmaking baseline intensity**	1.31 $MtCO_2e$/Mt (1.30624 derived)	1.35 $MtCO_2e$/Mt (1.35110 derived), a 3.4% increase	Same	**Reverses the reported direction.** FY26's 1.33436 is +2.15% against the prior baseline and −1.24% against the restated one. The 2030 endpoint moves from about 1.208 to about 1.250, roughly 8.35 $MtCO_2e$ at FY26 volumes	**Decision-usefulness concern (D6-2, F-8)**
P2-4	FY21 Shipping baseline, ore shipped	185.9 Mt	182.18 Mt	Same correction	Lifts baseline shipping intensity from 0.021894 to 0.022341, improving the reported reduction from 13.6% to 15.3%	**Minor limitation; same correction, much smaller effect**
P2-5	FY25 Scope 3 Category 3	0.55 $MtCO_2e$ (FY25 databook)	0.61 $MtCO_2e$ (FY26 databook)	**Yes.** Note 1 states the restatement corrects a calculation error and identifies the affected total	Total Scope 3 FY25 moves 275.88 → 275.94	**Acceptable. Properly disclosed**
P2-6	FY24 Scope 3 Categories 4 and 9	As published in the FY25 pack	Restated to the latest GLEC factors (FY26 databook Note 2)	**Yes.** Basis and reason stated	Immaterial to any claim	**Acceptable**
P2-7	FY24 diesel consumption	631.32 million litres (FY25 databook)	630.97 million litres (FY26 databook Note 1)	**Yes.** Methodology alignment stated	None	**Acceptable**
P2-8	FY25 purchased electricity	As published	Corrected for a decimal-place display error (FY26 databook Note 4), underlying values unchanged	**Yes**	None	**Acceptable**
P2-9	FY23 and FY22 renewable electricity purchased (Group, GWh)	FY23 145.7; FY22 87.7 (FY23 Climate Change Report)	FY23 131.01; FY22 108.46 (FY24 databook, Product r.44, marked as restated)	**Yes.** The FY24 databook's GRI restatements table states each prior value "was found to be incorrect" and that renewable electricity was purchased only in Australia	None on a target or pay claim; the FY23 to FY26 purchased series rises to FY25 before falling, rather than falling throughout	**Acceptable. Properly disclosed; the corrected figures are carried in §3.4 and P.1**

P.3 Dropped / added disclosure log (YOY-05)

#	ITEM	PRESENT IN	ABSENT/ADDED IN	EXPLAINED?	LABEL
P3-1	Stated materiality basis for Categories 11, 12, 14 and 15	**Added** in FY26 (AR folio 102)	Absent in FY25	N/A, an addition	**Improvement.** The FY25 gap where categories were shown without a stated basis is closed

#	ITEM	PRESENT IN	ABSENT/ADDED IN	EXPLAINED?	LABEL
P3-2	"1.5°C aligned" self-applied label	Present in the FY25 transition plan	**Absent** from the entire FY26 suite	Not narrated, but SBTi validation is separately disclosed as paused and all four target tables state validation "No"	**Improvement.** A withdrawn overclaim; not credited under A-16 and A-18, but its absence removes a live exposure
P3-3	FY25 comparatives in the primary emissions table	Present in prior years	**Absent** from the FY26 audited statement; present in the voluntary transition plan	**Yes**, Note 1 discloses reliance on the first-year comparatives relief	**Acceptable. A permitted relief, properly disclosed, and the figures are published elsewhere**
P3-4	Steelmaking 2030 endpoint printed as a value (1.21 in the FY25 transition plan)	Present in FY25	**Absent** from FY26	Not explained	**Decision-usefulness concern. The endpoint moved with the baseline restatement and is no longer printed, so a reader cannot see either the old or the new destination value**
P3-5	Emissions pathway chart	Withdrawn before FY26	Absent	Not explained	**Decision-usefulness concern; chains to D6-1**
P3-6	Market-based Scope 2	Data pack only in FY23, FY24, FY25 and FY26	Never in the audited statement	Not explained	**Decision-usefulness concern, unchanged across four periods (D3-1)**
P3-7	Coverage percentage for the Real Zero Target ("87% of FY22 Scope 1 and 2" in FY25)	Present in FY25	**Absent** from FY26	Not explained. The transition plan's 90× ratio and "four targets, one emissions footprint" panel substitute for it	**Minor limitation. The scale is still readable, in a different form and in a different document**
P3-8	Quantified financial effects of climate-related risks	**Added** in FY26 (physical US$100–500m; Safeguard US$53m to US$142m; diesel fuel tax credit US$249m; maritime US$300–400m by 2035)	Not present in this form in FY25	N/A, an addition and a mandatory-year requirement	**Improvement.** Mandated, so not credited, but it materially changes what an investor can price

P.4 Target-trajectory log (YOY-06 / YOY-08)

#	TARGET / CLAIM	BASE YR	TARGET YR	COVERAGE / SCOPE	CHANGE ACROSS PERIODS	ON-TRACK SURVIVES SERIES?	LABEL
P4-1	Real Zero Target	Not disclosed in FY26; FY22 in the FY25 pack	2030	Scope 1 and 2, Australian terrestrial iron ore, equity share; 2.72 of 278.77 $MtCO_2e$	Unchanged in wording, boundary and date. The **base year row disappeared** from the FY26 target table	**No.** Covered emissions rose 2.35 → 2.60 → 2.72 $MtCO_2e$ and are stated not to fall until FY28	**Decision-usefulness concern (D6-1); the disappearance of the base period is also a compliance gap (D1-3)**
P4-2	Scope 3 Target	Not disclosed	2040	All relevant and calculated categories; 275.64 $MtCO_2e$; **net**	Unchanged. No base period, milestones, associated gross target or credit architecture in any period	**No.** Absolute Scope 3 rose 11.6% over the series	**Serious compliance / misleading-risk concern (D5-2)**
P4-3	Steelmaking Target	FY21 (restated in FY26)	2030	Scope 3 Category 10; intensity	Target unchanged; **the baseline moved**	**Depends on the baseline.** Above the FY21 baseline in every disclosed year on the prior basis; 1.2% below on the restated basis	**Decision-usefulness concern (D6-2, D6-3)**

#	TARGET / CLAIM	BASE YR	TARGET YR	COVERAGE / SCOPE	CHANGE ACROSS PERIODS	ON-TRACK SURVIVES SERIES?	LABEL
P4-4	Shipping Target	FY21 (ore-shipped figure restated in FY26)	2030	Scope 1 shipping and Scope 3 Categories 3, 4 and 9; intensity	Target unchanged; the baseline's ore-shipped figure moved	**Partly. 15.3% against a 50% goal, and flat for three years within the current series**	**Decision-usefulness concern (D6-4)**
P4-5	SBTi validation	N/A	N/A	All targets	Paused in FY25 pending the initiative's standards review; **still paused** in FY26, with re-initiation being assessed and every target table stating validation "No"	N/A	No apparent issue. Accurately stated in both periods (D6-6)
P4-6	Safeguard Mechanism target	N/A	Annual	Scope 1 at seven covered facilities; intensity	Facility count and mechanics disclosed; FY26 requirement about 0.3 $MtCO_2e$	Compliance obligation, met by unit surrender	No apparent issue (D8-3)

P.5 Cross-report-type consistency over time (YOY-07 / DR-02)

#	CLAIM / METRIC	REPORT TYPES COMPARED	PER-PERIOD DIVERGENCE (AFTER NORMALISATION)	TREND IN DIVERGENCE	AUDITED-SOURCE PREFERENCE APPLIED (A-01B)	LABEL
P5-1	Headline emissions figures	Annual Report, transition plan, sustainability report, ESG databook	None in FY26; none identified in FY25	Stable, none	Not needed; the sources agree	No apparent issue
P5-2	Market-based Scope 2	Annual Report versus ESG databook	Present in the data pack in FY23, FY24, FY25 and FY26; never in the Annual Report	**Persistent and unchanged across four periods.** It became more consequential in FY26 because the audited statement is now a mandatory climate statement in which 29(a)(v) applies	Audited source preferred; the data-pack figure is recorded but its basis is cannot-verify	**Decision-usefulness concern, escalating to a potential compliance concern in the mandatory year (D3-1, D1-4)**
P5-3	Comparative-year figures	Annual Report versus transition plan	New in FY26: the audited statement carries one year, the voluntary plan carries two	New this period, and explained by a disclosed relief	Audited source preferred; the plan's comparatives are used as context only	**Acceptable**
P5-4	Target baseline explanation	Annual Report and transition plan versus ESG databook	New in FY26: all three print the restated baseline, only the data pack explains it	New this period	Audited source preferred for the figure; the explanation exists only in the supplementary source	**Decision-usefulness concern (D6-2)**
P5-5	Alignment labelling	Transition plan versus Annual Report	FY25: "1.5°C aligned" appeared in the transition plan only, not the Annual Report. FY26: absent from both	**Resolved.** The divergence closed by withdrawal of the label	Not needed	Improvement (P3-2)

Prepared under the Climate Disclosure Review Rules v15.23 (controlled AI-assisted review). The body (§1–§7) states the verdict and may be issued on its own; the annexes are the working layer. General information only: not legal, financial or investment advice, an audit, an assurance opinion, or a NoCO2 certification or conformance determination. © Carbon Reduction Institute Pty Ltd, ABN 26 122 969 233.

Annex L: How each score was reached

Each audience score is built from a fixed set of load-bearing criteria, marked before the score is set. "Partial" means the criterion is satisfied only with reader effort that this audience can reasonably spend, not a soft failure. The count matters as well as the score: a score can reach its floor on two failed criteria, so two reports sharing a score may sit some distance apart on the detail below.

#	AUDIENCE	CRITERION	VERDICT	WHY
A1	Carbon accounting	No material category excluded	Pass	All 15 Scope 3 categories quantified or given a stated not-relevant basis; Scope 1 and Scope 2 location-based quantified; Category 10, 96.4% of the footprint, quantified with method. Biogenic Scope 1 is named with its reason and is small against 2.75 Mt, so it is a cannot-verify residual rather than an exclusion
A2	Carbon accounting	Single reconcilable footprint	Pass	Categories sum to 275.643 against a published 275.64; Scope 1 disaggregates to 2.69 + 0.05; AR, CTP, sustainability report and data pack agree on every FY26 figure. The "—" versus "0" presentation of C11/C12/C14/C15 is presentational and creates no competing total
A3	Carbon accounting	Method, boundary and version transparency	Not met	Two defects. The market-based Scope 2 figure of 0.53 $MtCO_2e$ is published with no method, no factor source, no residual-mix basis and no contractual-instrument description in any FY26 document, and no Scope 2 entry exists in the pack's Metrics Definitions sheet. The data pack's energy table states TJ against PJ values across the reviewed year and both comparatives
A4	Carbon accounting	Granularity and assurance sufficient to lift	Pass	Per-category tonnes with named factor datasets, response rates and spend shares; consolidated-group and investee split; reasonable assurance on Scope 1 and Scope 2, limited on Scope 3. Estimation method is an improvement note, not a score mover
I1	Institutional investors	Physical risk relevant and transparent (N-04)	Pass	Site-level CMIP6 modelling across four SSPs, severity-weighted expected annual impacts, quantified to US$100–500m from disclosed inputs (0.55 Mt/day, US$91/dmt, ~7 days by 2050), scope limitation stated. Relevance and methodology transparency both satisfied
I2	Institutional investors	Transition risk: derivable target headroom	Not met	Both absolute targets have derivable endpoints and no derivable path. Real Zero: no base period, no interim target, no abatement quantity by lever, a base that rose 15.7% in two years, decline stated to start FY28, and a final equipment milestone at FY31 against a target date whose year-end basis is not stated. Scope 3 2040: no base period, no interim target in the audited statement, no associated gross target, no credit architecture, so the permitted netting over 275.64 Mt is unbounded
I3	Institutional investors	Target achievement: real reductions, honest progress	Not met	Reported progress against the 2030 steelmaking target reverses sign on a baseline restated this year, explained only in the data pack and with no before-and-after values published. This year's intensity movement is a consultant's factor revision and sales mix by the company's own account. Covered Scope 1 and 2 rose 4.6%, and the whole Scope 1 increase is gas
I4	Institutional investors	Portfolio / financed-emissions completeness	Pass	Not a financial institution. Category 15 assessed immaterial, and the 29(a)(iv) disaggregation independently bounds investee operational emissions at 0.06 $MtCO_2e$ across Scope 1 and Scope 2, which supplies the bound the completeness rule would otherwise require
I5	Institutional investors	Flow-through / look-through exposure	Pass	The dominant look-through exposure, customer steelmaking at 268.64 $MtCO_2e$, is quantified by product type across five destination regions with the process stages included and excluded both stated, and the dependency on customer transition is stated repeatedly. This is the best-quantified part of the disclosure
I6	Institutional investors	Reconstructability by a sophisticated reader	partial (workable)	**Action:** re-deriving progress against the Steelmaking Target on a single basis. **Data:** the FY26 target table baseline row and the FY25 ESG Databook baseline row, both published documents. The reader must hold the superseded pack, which is effort a reconstruction-capable reader can spend; the FY25 comparatives are separately available in the voluntary transition plan
R1	Retail investors	Headline matches evidence without cross-document work	partial (workable)	**Action:** understanding what the Real Zero Target covers. **Data:** the boundary carried in the target's own words at every substantive mention in the AR, the transition plan, the sustainability report and the glossary, plus the transition plan's statement that Scope 3 is about 90 times Scope 1 and 2 and its "four targets, one emissions footprint" panel. No document states the coverage percentage, so the ~1% figure is arithmetic, but the scale is stated in words
R2	Retail investors	Targets cover material sources; achievement honest	Not met	96.4% of the footprint has no absolute cap before 2040, and the only 2030 lever over it is an intensity target while absolute Category 10 rose 10.6% since the baseline. The achievement limb is mitigated: the AR footnote on the same page states the baseline is not directly comparable, and the emissions increase is stated plainly with its causes
R3	Retail investors	Material risks legible	Pass	Each risk carries a plain description, a time horizon, the financial statement areas affected, the FY26 outturn and a banded financial impact with the modelling inputs shown
R4	Retail investors	Caveats findable, understandable, fairly presented	Pass	The Real Zero boundary is co-located; the emissions rise and its three causes lead the metrics section; the target tables print gross-or-net, SDA derivation and third-party validation status; the steelmaking baseline's non-comparability is footnoted on the same page as the target table; the first-year relief is disclosed in Note 1
P1	Consumers & public	Claims literally true within their implied boundary	Pass	Every claim is a statement of a target, each carrying its own boundary in its own words. No carbon-neutral claim, no renewable-electricity claim, no "1.5°C aligned" self-label, no assertion that any target has been achieved, and no target described as validated

#	AUDIENCE	CRITERION	VERDICT	WHY
P2	Consumers & public	No greenwashing or misleading composite impression	partial (workable)	**Action:** judging whether the public claims describe the whole footprint. **Data:** the boundary in each target's own words, the transition plan's "four targets, one emissions footprint" panel showing 3.13 Mt beside 268.64 Mt, and its statement that Scope 3 is about 90 times Scope 1 and 2. The residual concern is that "Real Zero" is the organising name across the suite and public advocacy while covering about 1% of the footprint, and that the scale ratio sits in the voluntary companion rather than the audited statement or the sustainability report
P3	Consumers & public	Genuine climate action evidenced	Pass	US$848m spent in FY26 within a US$6.2bn program with a further US$680m approved; 550 km of transmission built, 370 MWh of battery storage installed, three solar farms in construction or commissioning, 18 electric excavators and two battery-electric locomotives in service, Eliwana diesel down 10 ML; elimination at source with voluntary offsetting ceased
G1	Regulators	Standards compliance / readiness	Not met	Five paragraph-level gaps in a statement carrying a compliance declaration: 33(e) base period absent for two of four voluntary targets; 33(f) milestones and interim targets absent for all four; 36(c) associated gross target absent for the net Scope 3 target; 36(e) planned carbon-credit use absent for it; and 29(a)(v) contractual-instrument information absent, which sits inside the audited criteria. Against these, the filing is otherwise substantive and properly assured
G2	Regulators	Cross-source / audience consistency	partial (workable)	**Action:** testing target progress across the sources. **Data:** the data pack's Note 3 restatement explanation plus the FY25 data pack's baseline row. Every FY26 figure agrees across the four documents; the divergences are the market-based figure appearing in one source, the comparatives appearing in the voluntary plan under a disclosed relief, and the restatement being narrated in one source while three print the new number. The reviewed year's NGER return is not published, so the statutory cross-check is cannot-verify rather than a divergence