



Independent Limited Assurance Report to the Directors of Fortescue Metals Group Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in Fortescue Metals Group Limited's (FMG's) FY2023 net Scope 1 and 2 Greenhouse Gas emissions (2,211,294 tonnes CO₂-e) and net percentage reduction in Scope 1 and 2 Greenhouse Gas emissions compared to FY2020 (annual 3.0 percent), which has been prepared by FMG in accordance with the Greenhouse Gas (GHG) Protocol as published by the World Resources Institute / World Business Council for Sustainable Development (WRI/WBCSD) for the 12 months ended 30 June 2023.

Information Subject to Assurance

The information subject to assurance is comprised of FMG's net GHG emissions (Scope 1 and 2), as included on FMG's website at [Climate change and energy | Fortescue](#) and referenced within FMG's Climate Change report for the 12 months ended 30 June 2023.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the GHG Protocol as published by the WRI/WBCSD.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Auditors or Reviews of Historical Financial Information and ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (Standards). In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in FMG's FY2023 net Scope 1 and 2 GHG emissions and net annual percentage reduction in Scope 1 and 2 GHG emissions compared to FY2020, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.



Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant FMG personnel to understand the internal controls, governance structure and reporting processes associated with the purchase and acquittal of carbon offsets in relation to FY2023;
- consideration of the transaction records associated with purchase and acquittal of carbon offsets in relation to FY2023;
- enquiries with relevant FMG personnel including senior management and staff at operating sites to understand the internal controls, governance structure and reporting processes underlying the GHG Emissions data;
- reviews of relevant documentation relating to the GHG Emissions data including the emission ledgers and the basis of preparations;
- analytical procedures over the GHG Emissions data;
- walkthroughs of the GHG Emissions data to source documentation;
- evaluating the appropriateness of the criteria with respect to the GHG Emissions data;
- reviewed the emission ledgers in their entirety to ensure they are consistent with our overall knowledge of the assurance engagement;
- consideration of the number of offsets purchased and acquitted in relation to FY2023 and compared this to the number of offsets that are required to achieve an annual 3% reduction in net GHG emissions compared to FY2020;
- consideration of whether sufficient carbon offsets have been purchased and acquitted in relation to FY2023 GHG emissions to represent an annual 3% reduction in net GHG emissions compared to FY2020 GHG emissions;
- consideration of the existence, completeness and accuracy of the net Greenhouse Gas emissions data; and
- reviewed the mathematical accuracy of the net Greenhouse Gas emission calculation and percentage reduction.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of FMG.

Use of this Assurance Report

This report has been prepared for the Directors of FMG for the purpose of providing an assurance conclusion on FMG's FY2023 net Scope 1 and 2 Greenhouse Gas emissions and the annual net percentage reduction in Scope 1 and 2 Greenhouse Gas emissions compared to FY2020 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of FMG, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting FMG's FY2023 net Scope 1 and 2 Greenhouse Gas emissions and annual net percentage reduction in Scope 1 and 2 Greenhouse Gas emissions compared to FY2020 in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of FMG's FY2023 net Scope 1 and 2 Greenhouse Gas emissions and annual net percentage reduction in Scope 1 and 2 Greenhouse Gas emissions compared to FY2020, that is free from material misstatement, whether due to fraud or error.

KPMG

KPMG

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the FMG's FY2023 net Scope 1 and 2 Greenhouse Gas emissions and annual net percentage reduction in Scope 1 and 2 Greenhouse Gas emissions compared to FY2020, for the 12 months ended 30 June 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

Nick Moffatt

Nick Moffatt

Partner

Perth

13 August 2023