

11 October 2021

# Ferrexpo plc ("Ferrexpo" or the "Company" or the "Group")

## Announcement of Decarbonisation Targets

Ferrexpo (LSE: FXPO), the world's 3<sup>rd</sup> largest exporter of iron ore pellets to the global steel industry, announces inaugural decarbonisation targets, in addition to engaging with climate change specialists Ricardo Plc ("Ricardo").

- The Group undertakes a commitment to achieve net zero carbon emissions from its operations by the year 2050.
- In addition, the Group undertakes an initial commitment to achieve a minimum of a 30% reduction in combined Scope 1 and 2 emissions by 2030, against the Group's baseline year for emissions (2019)<sup>1</sup>, in line with the Group's peer group.
- Appointment of environmental consultants Ricardo to work with the Group to develop science-based decarbonisation targets as a second-phase of publishing carbon commitments.
- Ricardo to also help enhance the Group's existing climate change scenario reporting and review the role of Ferrexpo's iron ore
  pellets within the circular economy. Results of Ricardo's analysis expected to enhance the Group's carbon reduction targets
  and to further develop climate change reporting in 2022.

## Jim North, Interim Group Chief Executive Officer, said:

"Whilst iron ore pellets offer our customers the opportunity to significantly reduce carbon emissions already, it is important to signal a clear intention to decarbonise our own operations. It is on this basis that we have adopted the targets announced today, to demonstrate both our focus on climate change and our understanding of the importance of decarbonisation.

Of further significance however, is our engagement with Ricardo, which we intend to be a workstream that develops science-based reduction targets and a timeline for the stages of decarbonisation in each aspect of the Ferrexpo business. Through this collaboration with Ricardo, we expect to advance our targets and develop a clear roadmap of reducing Scope 1, 2 and 3 emissions, whilst also identifying market and regulatory risks and opportunities, modelling of climate change scenarios and looking at the environmental footprint of a Ferrexpo pellet beyond the steelmaking process.

In the 18 months to June 2021, the Group has already recorded a carbon reduction in excess of 20%<sup>2</sup>, which is a demonstration of our commitment to the environment. Through working with Ricardo, it is our intention to engage with stakeholders in 2022 with a clear, science-based understanding of our carbon journey that lies ahead.

## Tim Curtis – Energy & Environment Managing Director, Ricardo Plc, said:

"Ricardo's experts have been helping organisations around the world to develop robust and science-based pathways to achieving net zero carbon emissions. We're proud to be supporting Ferrexpo with the development of its decarbonisation targets and providing objective expertise to help realise this ambition. In setting targets to decarbonise the manufacturing of their iron ore pellets, Ferrexpo is driving change in the industry which will contribute to a low carbon transition and benefit organisations using Ferrexpo products in their supply chain."

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#### About Ferrexpo:

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine. It has been mining, processing and selling high quality iron ore pellets to the global steel industry for over 40 years. In 2020, the Group produced 11.2 million tonnes of iron ore pellets, a 7% increase on the prior year. The Company is ranked as the world's 3<sup>rd</sup> largest exporter of pellets to the global steel industry with a market share of approximately 9%. For further information, please visit <u>www.ferrexpo.com</u>.

#### About Ricardo:

Ricardo plc is a world-class environmental, engineering and strategic consulting company listed on the London Stock Exchange. With over 100 years of engineering excellence, we provide exceptional levels of expertise in delivering leading edge and innovative cross sector sustainable products and solutions, helping our global customers increase efficiencies, achieve growth and create a cleaner and safer future. Our mission is clear — to create a world fit for the future. For more information visit <u>www.ricardo.com</u>.

<sup>&</sup>lt;sup>1</sup> On a per tonne basis; baseline figure for 2019 of 134kg/t as published in the Group's latest Annual Report and Accounts (2020).

<sup>&</sup>lt;sup>2</sup> On a per tonne basis, Scope 1 and 2 emissions combined.