



News

Fortescue Future Industries and Covestro announce plans to enter a long-term green hydrogen supply agreement

Media Release 17 January 2022



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Fortescue Future Industries intends to supply green hydrogen and its derivatives including green ammonia to Covestro

FFI will supply up to 100,000 tonnes of green hydrogen equivalent per year, starting as early as 2024

Fortescue Future Industries (FFI), a global green energy and green industry company based in Australia, and Covestro, a world-leading, Germany-based supplier of high-tech polymer materials, intend to enter into a long-term agreement for the supply of green hydrogen and its derivatives, including green ammonia.

According to the Memorandum of Understanding (MoU), FFI and Covestro will formalise an agreement under which FFI will supply Covestro with the equivalent of up to 100,000 tonnes of green hydrogen (GH₂) per year.

The arrangement will enable Covestro to reduce its greenhouse gas emissions by up to 900,000 tonnes of CO₂ per year, by replacing grey hydrogen and its derivatives with GH₂.

The deliveries are earmarked for three potential locations – Asia, North America and Europe – and could commence by 2024.

FFI and Covestro view the non-binding MoU as the first step towards a broader strategic partnership to accelerate the green energy transition, particularly in energy-intensive industry.

FFI Chairman Dr Andrew Forrest AO said, “This is a ground-breaking collaboration which reinforces the power of green hydrogen to accelerate the decarbonisation of some of the most energy-intensive industries around the world.

“FFI and Covestro share the belief that green hydrogen and green ammonia will play a crucial role in enabling companies to reach their climate targets and preventing runaway global warming.

“We look forward to working with Covestro to supply their green hydrogen needs, and collaborating with Germany to enable it to become the world leader in global decarbonisation, green hydrogen and ammonia,” Dr Forrest said.

Dr Markus Steilemann, CEO of Covestro said, “We are delighted that FFI shares our circular economy vision and is willing to take courageous steps to foster the urgently needed market ramp-up for green hydrogen.

“Our collaboration with FFI underlines our ambition to pioneer the transition towards a circular economy and climate-neutral production. Green hydrogen and its derivatives play a key role for the chemical industry, both as an alternative feedstock and a source of clean energy.

“The transition towards green hydrogen and its derivatives will be an important step forward in our efforts to offer more sustainable products that also reduce the carbon footprint of our customer industries,” Dr Steilemann concluded.

FFI CEO Julie Shuttleworth AM said, “Covestro is a global leader in its field with its materials used in nearly every area of modern life, including in the automotive, construction and electronics industries.

“This collaboration reinforces that green hydrogen is a practical, implementable solution for a range of difficult-to-decarbonise industries,” Ms Shuttleworth said.

Green hydrogen is made from renewable energy, producing zero pollution – its only by-product is steam. FFI’s ambition is to grow its green hydrogen production to 15 million tonnes of green hydrogen per year by 2030, accelerating to 50 million tonnes per year in the next decade thereafter.

Covestro uses hydrogen and its derivatives as feedstock in the production of high-performance polymers. As part of a broader circular economy strategy, Covestro

committed itself to completely transition towards the use of fossil-free alternative raw materials and renewable energies. The partnership with FFI is an important milestone towards this goal.

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