

ANNUAL REPORT 2023



**Australian business
collaborating
to create a low
carbon, prosperous
Australia**



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CLC Members



Damien Nicks
AGL Energy



Matt Halliday
Ampol Limited



Adam Watson
APA



Penny Harrison
Australian Red Cross



Sandra Martinez
Nestle Oceania



Frank Calabria
Origin Energy



Paul Scurrah
Pacific National



Kevin Burrowes
PwC Australia



Edgar Basto
BHP



Alastair Symington
Blackmores Group



Gert-Jan De Graaff
Brisbane Airport



Matt Comyn
Commonwealth Bank



Vanessa Hudson
Qantas Group



Carmel Monaghan
Ramsay Health Care



Kellie Parker
Rio Tinto



Kevin Gallagher
Santos



Mark Woodruff
Citigroup



Leah Weckert
Coles Group



Adam Powick
Deloitte Australia



Darren Steinberg
Dexus



Damien Bueno
SAP Australia



Elliott Rusanow
Scentre Group



Gareth O'Reilly
Schneider Electric
Australia



Eric Swift
ServiceNow



Peter Tompkins
Downer EDI



Mark Collette
EnergyAustralia



Dino Otranto
Fortescue Metals Group



Greg Goodman
Goodman Group



Mark Nielsen
Talent International



Alan Beacham
Toll



Inaki Berroeta
TPG Telecom



Nick Bangs
Unilever Australia



Tristan Harris
Harris Farm Markets



Paul Victor
Incitec Pivot



David Gillespie
Jemena



Rebecca Hanley
Laing O'Rourke Australia
Group



Dean Banks
Ventia



Jayne Hrdlicka
Virgin Australia



Scott Wyatt
Viva Energy



Rob Scott
Wesfarmers



Radek Sali
Light Warrior Group



Sam Fischer
Lion



Steve Worrall
Microsoft Australia



Campbell Hanan
Mirvac Group



Meg O'Neill
Woodside



Brad Banducci
Woolworths Group



Chris Ashton
Worley

The Climate Leaders Coalition

The Climate Leaders Coalition (CLC) was founded in August 2020 with the aim to help Australia's largest companies to accelerate their decarbonisation work. This has been done through a range of activities all built on the principle that by working together and forming linkages across sectors, along value chains and internationally, the task at hand for all members may become easier.

CLC Signatories' Climate Change Statement

Member Commitment

By joining the CLC, members have made the following commitment:

For the viability of our businesses, for the generations after us and for the country we love, we are ambitious for action on climate change. If we act now, we can forge a path to create a future that is low-emissions, positive for our businesses and economy, and inclusive for all Australians. We are committed to playing our part to make that future real. If we don't, our competitiveness is at risk.

We take climate change seriously in our business:

- We support the Paris Agreement and Australia's commitment to it, including the objective to keep global warming to well below 2 degrees Celsius above pre-industrial levels;
- We measure the greenhouse gas emissions associated with our environmental footprint and, if not already done, within 12 months of joining will set public emissions targets;
- We work with our suppliers and customers to encourage them to reduce their greenhouse gas emissions;
- We believe that a responsible and equitable transition to a low emissions economy is an opportunity to improve Australia's prosperity; and
- We report each year on our progress towards Scope 1, 2 and 3 emissions reduction and are committed to implement credible transition plans.

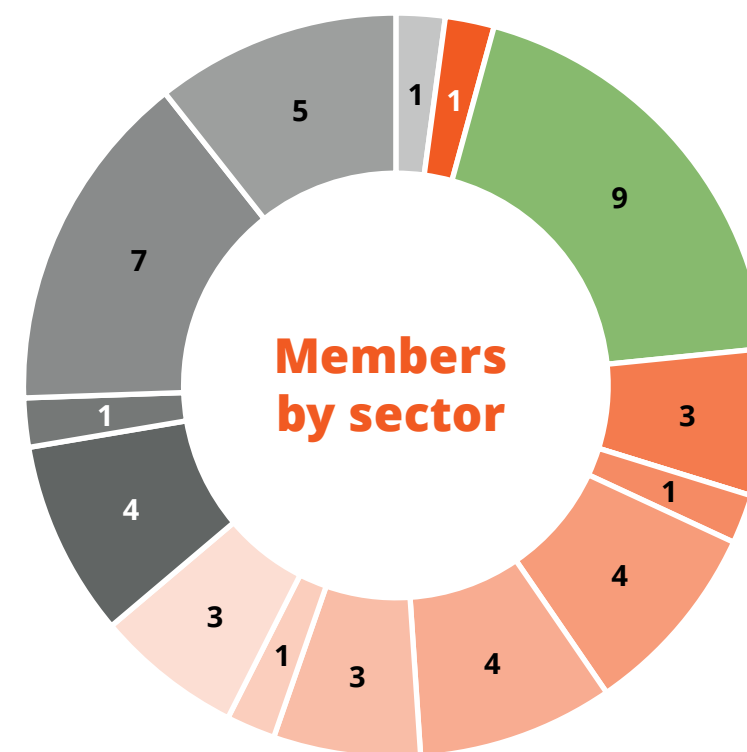
FY23 Snapshot

CLC Member Snapshot

47
members

949,936
Employees

\$588b
Total Reported Revenue

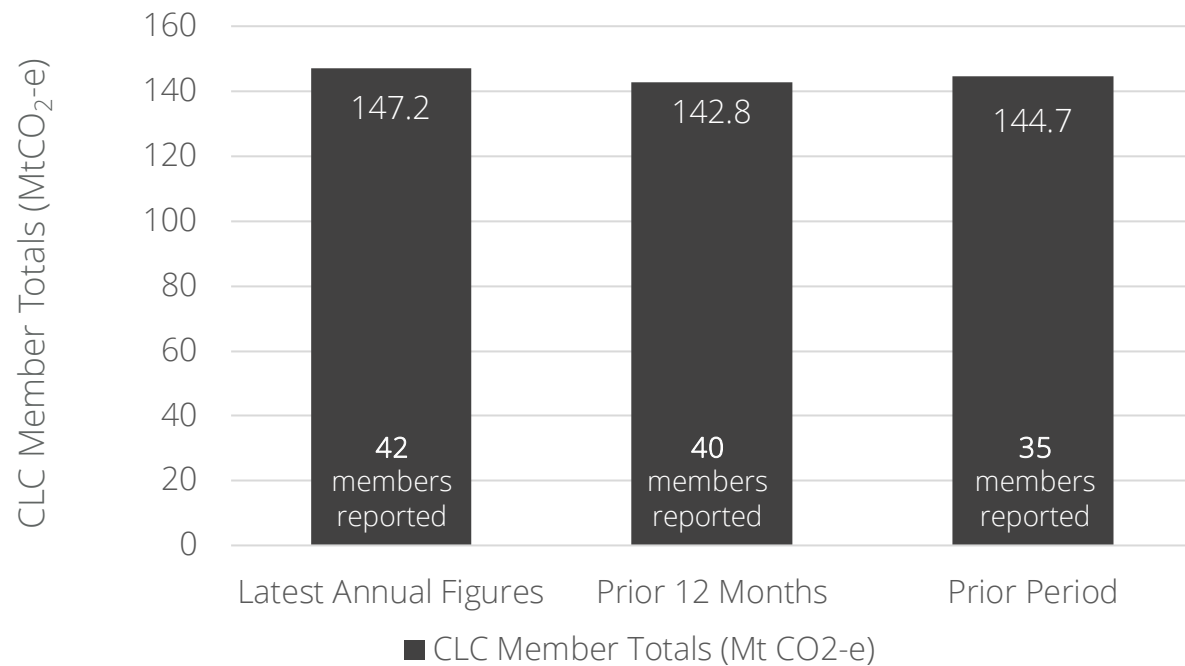


- Agriculture
- Construction
- Energy
- Financials
- Healthcare
- Information Technology
- Infrastructure
- Materials
- NFP
- Professional Services
- Real Estate
- Resources
- Retail
- Transport

¹As of 30th June 2023, the CLC now includes 47 members

Emissions

Scope 1 and 2 Emissions



Total CLC Member emissions have varied based on the number of current members reporting relevant years. In the latest annual figures, 15 members contribute 96% of CLC Scope 1 and 2 emissions. Increase on previous years in part due to Qantas Airways Limited Virgin Australia Holdings Pty Ltd post-covid travel impact and Woodside's reporting only including latest annual figures.

26
Members
have
decreasing
emissions

12
Members
have
increasing
emissions*

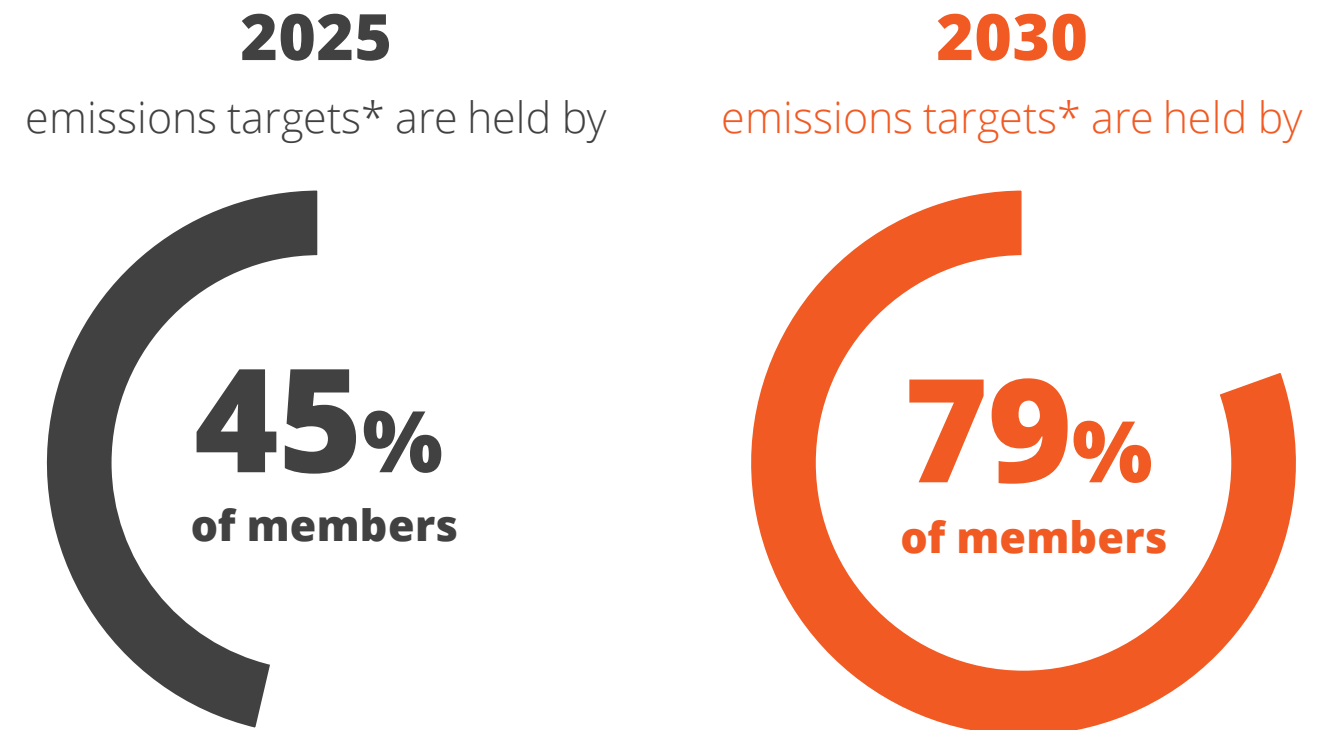
*Two members have equivalent emissions between the latest annual figures and prior 12 months, and the remaining seven members have insufficient data to calculate a trend or did not provide emissions data.

Notes:

- If the member is Australian headquartered, global figures are provided. Members headquartered internationally have emissions, employees and revenue reported for only their Australian operations (when measured).
- Members' emission data for FY23 was collected by the 10th November 2023. Some members had not yet published FY23 data as of this date, so measurements of the most recent annual public data and the two preceding periods were used instead.

¹Excludes Citigroup, Microsoft, and Schneider Electric as they only report global figures

Scope 1 and 2 Emissions targets



Scope 3 emissions

Total member Scope 3 emissions:

1,565.97 MtCO₂-e

81% of members report Scope 3 emissions**

*emissions targets are absolute targets. 13% of members did not report on this question, please reference individual company reports for more information.

**some members that did not report for the CLC annual report do report global Scope 3 emissions.

Achievements

Credible Transition to Net Zero: Practical Insights for Getting Started, written by CEOs for CEOs

Aligned to our CLC purpose to share knowledge, test, learn and ultimately accelerate Australia's transition to a net zero economy, over the past 12 months our CEOs learnt and shared what is required on the journey to a credible, responsible and equitable transition.

Our work focused on uncovering the opportunities, challenges and solutions across the ongoing process an organisation goes through to determine a credible transition, within the context of the rapidly evolving regulatory environment. This process is facilitated by the development of Climate Transition Action Plan (CTAP), which outlines the actions an organisation needs to take to reach its aims, and is rapidly becoming a mandatory disclosure requirement across the globe.

Throughout the year our members shared their knowledge and experiences with each other and those in their value chains through a series of collaborative learning & sharing sessions and insightful panel discussions that brought perspectives from diverse voices from across the local and global ecosystem.

Many lessons were learnt, particularly:

- Be clear on what your organisation's possible futures could look like and build a climate ambition that considers changes in the external environment and your organisation's role in the ecosystem
- Focus on where you can make a meaningful impact
- Engage with communities and diverse perspectives to make their voices part of your solution
- Plan, act and measure continuously
- Invest early in your organisation's capabilities to deliver, and place credible transition at the heart of your organisational strategy

Our member Insights Report - Credible Transition to Net Zero: Practical Insights for Getting Started was launched as part of CLC activities at COP28 this year.

Thank you to the many organisations who led this work:



Project Lead Sponsor



Support Partner



Independent Subject Matter Expertise

Nature Starter: Practical steps to integrate Nature into business strategy, written by CEOs for CEOs

In 2023, our CEOs recognised the profound importance of embracing the cause of Nature because:

- Businesses rely heavily on Nature for the raw materials that form the backbone of our products and services. These resources are finite.
- Businesses also depend on Nature for essential services such as water, pollination, shade, soil nutrients, and carbon sinks. Their value does not sit on our balance sheets. And just like other business resources, Nature's services are not inexhaustible.
- Nature isn't merely a vital component of our credible decarbonisation strategy; it also holds the key to our most promising solutions. It's a dual opportunity.

CLC members engaged in the Nature deep dive, worked closely together to map out the steps required to *integrate Nature into business strategy*. Many of our members had completed some form of Taskforce on Nature-related Financial Disclosures (TNFD) pilot and were seeking to take and share pilot learnings to build a business case on Nature. Seeing an opportunity to get there faster, we designed the Nature Starter Tool (NatSTART) – a digital tool that enables our members to prioritise likely material aspects of their exposure to Nature impacts and to build a credible business case for Nature-based assessment. NatSTART is an adjunct to existing Nature Risk Assessment frameworks and does not duplicate or replace the assessment guidance in the TNFD, Science-Based Targets for Nature (SBTN) or similar.

Many lessons were learned along the way, notably:

- Get started on Nature now to understand business risk, future growth and plan for your credible transition.
- Nature connects and amplifies the work many CEOs have already started on scope 3, modern slavery, circularity and climate. All involve value chain transparency, understanding diverse non-financial indicators and strengthening governance. You already have a starting point.
- The mandatory disclosure for TNFD will be a game changer. What took 15 years with climate is expected to unfold in 2–5 years for Nature.
- Identify the most material areas of Nature risk and develop a cross-functional business case for a Nature-based assessment (such as TNFD LEAP) that will inform your strategy. We have collaboratively designed a tool called NatSTART* to help companies get started.
- Nature will have its tension points. Traditional return on investment, value and time indicators may not remain applicable.
- Companies are already positioning for Nature strategies and opportunities.

Thank you to the many organisations who led this work:



Scaling impact on Scope 3: An update on our continued focus on scope 3 in 2023

At COP27 in November 2022, we introduced the [Climate Leaders Coalition CEO Scope 3 Roadmap](#). This roadmap was crafted by our members through a year of hands-on learning and the successful execution of five proofs of concept across diverse sectors.

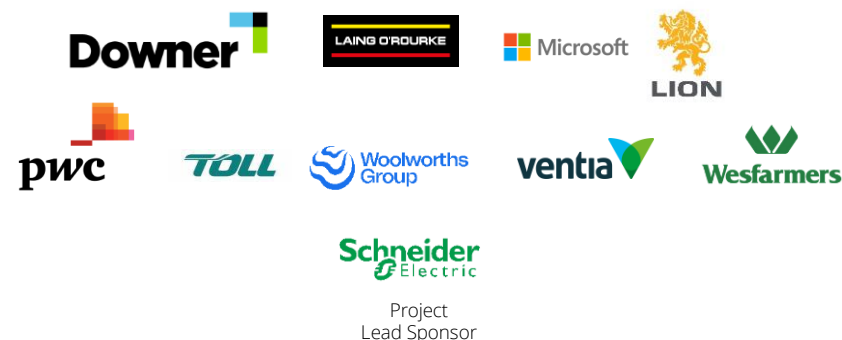
In 2023, we recognised the need to transition from proofs of concept to scaling scope 3 impact. We also acknowledged the varying levels of scope 3 maturity among our 50 members, offering an opportunity to collectively enhance our scope 3 impact. Our focus on scaling scope 3 impact this year has been three-fold:

- An evidence base on how progressed each of our members are in terms of the 8 steps to measure, report and reduce scope 3 emissions – the Scope 3 Excellence Checklist.
- A series of practical and collaborative scope 3 catalyst sessions to address major blockers and enable more of our members to mature faster.
- Progression of value chain decarbonisation initiatives started through last year's scope 3 proofs of concepts.

Many lessons have been learned along the way:

- **Immediate action required:** Regulation is imminent and making scope 3 commitments is crucial. Baseline and annual progress against targets will soon undergo scrutiny comparable to financial reporting. In October 2023, ASIC chairman Joe Longo put companies on notice that the coming regime will be *'the biggest change to corporate reporting in a generation.'** Confidence is key, from your own perspective and that of stakeholders.
- **Data and technology enablers:** The importance of data and technology in managing scope 3 emissions is growing. There have been significant advancements in solutions alongside a growing awareness that robust data controls are the linchpin. Technology solutions should be aligned with an organisation's specific needs, especially those enabling sharing across-value chains. Opportunities for shared data platforms and analytics are emerging. Collectively we need to get smart about data we are asking for and from who.
- Ideally, we should find ways to share data rather than have multiple parties seeking the same information in different formats.
- **Transformational scope 3:** Addressing scope 3 emissions is transformational, affecting not only your organisation but also your value chain and industry. The need for new business partnering and collaboration models is evident. Commitments must lead to immediate action – the clock is ticking.

Thank you to the many organisations who led this work:



CLC Circular Economy

In June 2023, CLC members, led by Coles and Nestlé, launched a Circular Economy deep dive. Its objective is to drive and accelerate collective action on the circular economy and enable further industry decarbonisation in Australia.

The transition to a Circular Economy presents a significant opportunity for Australia. By systematically changing how resources and materials are used, we can reduce greenhouse gas emissions, eliminate waste and pollution, build more resilient supply chains and unlock economic opportunity.

However, Australia also faces a unique set of conditions such as lack of manufacturing capabilities, export-orientated economy and vast geography, that make this transition more challenging. The circular economy in Australia is a complex, interconnected web that touches every aspect of how we live our lives and operate our businesses across every industry. The voice of the industry is clear: a step-change is needed to transition our 'take-make-waste' economy and to meet the 1.5°C target set out in the Paris Agreement.

This deep dive established circular economy foundations for CLC members through a shared definition of circular economy in Australia, the three principles of circularity and the four must-haves that enable successful circular initiatives. Those were then applied to redesign three value chains to demonstrate potential impact and tangible actions required by eco-system players:



Through this we hope to inspire members of the Climate Leaders Coalition and galvanise collective action necessary for such transformative change.

Thank you to the many organisations who led this work:








Deep dive 2023: Internal carbon pricing

A Carbon Investment Scheme (CIS) is an innovative initiative to enhance climate transition decision-making and to drive organisational transformation. A CIS internalises the costs of carbon emissions and levies an internal price on emissions – the cost of which is charged to the relevant business units in a company. This allows the organisation to then create an internal investment fund from the fees that are generated, to support green initiatives that deliver carbon abatement. Importantly, a CIS makes the costs and consequences of carbon emissions tangible to team members within a company, encouraging them to modify their behaviour and cut emissions.

Given that the first step in creating a CIS entails the establishment of an internal carbon price, the CLC and Aurecon, our pro bono partner, have undertaken a pilot with Ventia and Wesfarmers that focuses purely on internal carbon pricing. The benefits of developing an internal carbon pricing mechanism are highlighted below:

Carbon pricing is a **business planning** and **change management** tool that can:

-  **articulate** the approach to emissions reduction targets, both voluntary and regulatory,
-  evaluate and forecast the future carbon risks and opportunities,
-  **facilitate** informed investment and divestment decision making, either to reduce emissions or identify business opportunities,
-  drive decarbonisation behavioural change, and
-  **prepare** for climate transition and carbon regulatory and reporting requirements

The project will deliver an Internal Carbon Pricing Playbook that has been designed as a practical resource with best practice principles and real-life case studies to help CLC members understand the range of ways to approach internal carbon pricing. It also explores how to adopt internal carbon pricing in support of organisations' public and regulatory emission goals.

The production of the Playbook has involved considerable research and consultations with a CLC CIS working group. The Playbook is scheduled for publication in the coming months. To facilitate member engagement, we will be organising webinars and one one-on-one interactive sessions with the authors of the Playbook to provide insights into the Playbook's content and practical applications.

⁴ 28 CLC members responded to the survey

CLC Emissions Footprint

The CLC member commitment requires that members measure the greenhouse gas emissions associated with their environmental footprint and, if not already done, within 12 months of joining to set public emissions targets.

To maintain the integrity of that commitment, the B Team Australasia decided that the CLC itself should measure its emissions and set a public target to reduce those emissions. The results are presented below:

Scope 1

0 tonnes

Scope 2

0 tonnes

Scope 3

3.94 tonnes

Consisting of

- 2.08tCO₂e for purchased goods and services
- 0.23tCO₂e for business travel
- 1.63tCO₂e for employees working from home

The calculation was performed using the methodology below:



Kick-off meeting

Kick off meeting with B-Team Australasia to determine Scope 1, 2 and 3 boundaries (leveraging the GHG protocol guidance). The inventory period of FY23 was confirmed.



Data gathering

Deloitte requested documents from the B-Team Australasia to confirm there were zero scope 1 and 2 emission sources.



Conduct calculations

As the B-Team Australasia has no office location, a scope 3 'working from home' calculation was conducted for employees over the FY23 period.



Quality review

Deloitte Partners conducted quality reviews to verify the calculation approach and final emissions for the B-Team Australasia.

Appendix A CLC member data

Member	Scope 1 & 2 Emissions (ktCO ₂ -e)			Scope 3 Emissions (ktCO ₂ -e) ^{1,2}	Targets		Number of Employees	Total reported revenue (A\$m)
	Latest annual figure	Prior 12 months	Prior period	Latest annual figure	2025 Absolute emissions reduction target	2030 Absolute emissions reduction target		
AGL	35,200.00	40,100.00	40,800	24,500.00	Y	N	3,881	14,157
AMPOL Limited	970.61	780.37	-	42,699.64	Y	Y	8,790	28,760
APA	1,516.98	1,585.67	1,511.8	815.28	N	Y	2,398	2,913
Australian Red Cross	25.51	28.76	-	72.73	-	-	4,656	1,068
BHP	9,800.00	11,000.00	14,600	370,500.00	N	Y	42,319	79,966
Blackmores Group	6.46	10.54	10.85	1.80	Y	Y	1,213	658
Brisbane Airport Corporation	34.03	35.41	30.61	3,041.28	Y	N	381	825
Citi ¹	-	-	-	-	Y	Y	-	-
Coles Group Limited	980.56	1,356.82	1,439.3	18,200.00	N	Y	123,448	40,500
Commonwealth Bank of Australia	7.90	6.67	10.58	60.70	Y	Y	49,454	27,237
Deloitte Australia	1.63	0.86	3.80	11.41	Y	Y	13,881	2,850
Dexus	12.35	12.92	101.15	18.46	Y	Y	1,042	-753
Downer Group	378.58	372.93	370.34	2,003.73	N	Y	32,415	12,620
EnergyAustralia Pty Ltd	17,556.36	16,367.64	18,889	5,300.00	N	Y	2,500	7,878
Fortescue Metals Group Ltd	2,550.00	2,550.00	2,560	267,100.00	N	Y	13,745	25,042
Goodman Group	7.84	14.74	40.38	15.82	N	Y	971	1,969
Harris Farm	-	-	-	-	-	-	-	-
Incitec Pivot Limited	3,838.85	4,389.84	3,917.2	8,154.00	Y	Y	5,814	6,008
SGSP (Australia) Assets Pty Ltd	940.91	921.04	823.53	-	N	N	2,860	1,790
Laing O'Rourke	19.48	22.61	28.12	496.98	-	-	2,625	2,291

¹Data not reported

²Data not received

³Reports only global figures, so has been omitted in this report

⁴Achieved carbon negative in FY22 and therefore does not have updated absolute or emissions intensity targets

⁵Headquartered in both Australia and the UK, so global figures have been used

Notes:

If Australian head quartered, global figures provided and if there is an international HQ, then figures are just for the Australian operations.

Where figures have been published for FY23, these have been collated. Where public figures are yet to be released, the figures used have been more the most recent annual public data and the two prior periods.

Member	Scope 1 & 2 Emissions (ktCO ₂ -e)			Scope 3 Emissions (ktCO ₂ -e) ^{1,2}	Targets		Number of Employees	Total reported revenue (A\$m)
	Latest annual figure	Prior 12 months	Prior period	Latest annual figure	2025 Absolute emissions reduction target	2030 Absolute emissions reduction target		
Light Warrior Group	0.00	0.01	0.00	0.09	N	N	10	0
Lion ²	-	-	-	-	-	-	-	-
Microsoft Corporation ³	-	-	-	-	-	-	-	-
Mirvac Group ⁴	-0.10	-0.10	19.00	10.61	N	N	1,738	1,902
Nestle Oceania	30.44	67.63	131.19	-	Y	Y	4,246	2,478
Origin Energy Limited	14,801.00	14,186.00	16,514.0	35,259.00	N	Y	5,630	16,481
Pacific National	892.27	957.43	997.46	50.09	N	N	3,509	2,369
PwC Australia	0.39	0.32	1.05	88.30	N	Y	9,988	3,400
Qantas Airways Limited (Qantas)	9,783.15	4,799.30	3,301.74	3,182.59	N	Y	25,426	19,815
Ramsay Health Care	275.75	301.78	272.54	-	N	Y	93,452	15,369
Rio Tinto ⁵	30,300	231,000	31,700	583,900	Y	Y	53,726	80,513
Santos	4,970.00	5080.00	-	30,000	N	Y	3,550	11,210
SAP Australia Pty Ltd	7.68	9.35	9.38	3.85	N	Y	1,556	1,296
Scentre Group Limited	385.83	425.36	475.37	76.14	Y	Y	3,129	2,851
Schneider Electric ²	-	-	-	-	-	-	-	-
ServiceNow Inc.	2.91	1.84	16.60	217.08	Y	N	20,433	11,454
Talent	0.14	-	-	2.62	N	N	210	640
Toll Group	212.97	263.22	501.62	1,234.33	N	Y	16,000	5,800
TPG Telecom	227.60	229.20	-	1,449.80	N	Y	6,006	5,415
Unilever Australia	4.34	4.66	6.19	-	Y	Y	900	1,080
Ventia Services Group Limited	60.18	67.39	75.23	-	Y	Y	15,687	5,168
Virgin Australia Holdings Pty Ltd	2,271.27	1,304.74	864.25	1,100.45	N	N	7,628	-
Viva Energy Australia	1,378.49	1,202.05	1,282.60	37,911.76	N	Y	1,705	0
Wesfarmers Limited	1,196.70	1,225.70	1,308.90	37,300.00	Y	Y	110,000	43,500
Woodside Energy	4,615.00	-	-	60,699.00	Y	Y	4,427	26,425
Woolworths Group Limited	1,941.58	2,117.16	2,062.8	29,700.00	N	Y	200,364	64,300
Worley	41.42	48.21	67.82	792.01	Y	Y	48,223	10,928