CLIMATE
LEADERS
COALITION

ANNUAL REPORT 2024

Australian business collaborating to create a low carbon, prosperous Australia

THE B TEAM

An initiative of B Team Australasia

December 2024

Acknowledgement of Country

The Climate Leaders Coalition acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands on which we work and live. We pay our respects to Elders past and present and commit to building a brighter future together. The workplaces of member organisations span the nation and the world. We extend our respects to the Traditional Custodians of all the lands on which we and our members work and live.

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Foreword

The Climate Leaders Coalition (CLC), an initiative of the B Team Australasia, remains steadfast in its mission to accelerate Australia's decarbonisation through industry collaboration. It is not easy, but it must be done for the generations that follow.

The members' focus on practical action and shared experiences has never been more critical. Members cover much of the Australian economy and by working together are demonstrating the power of collective leadership, to address the most pressing challenge of our time.

In 2024, the CLC undertook a range of projects on the journey to net zero. In this, the fifth year of collaboration, the Coalition members shifted their focus towards execution. Projects included tackling road transport, methane emissions, energy management, and the application of artificial intelligence. By working together, these projects are developing fit-for-purpose solutions at pace and unlocking scalable opportunities beyond CLC members. Importantly, 2024 also crystallised a broadening of our focus, moving beyond emissions to a multi-dimensional perspective encompassing emissions, nature, and circularity in business strategy and operations.

65% of CLC members who provided data in 2024 and for the prior reporting period, saw a decline in total Scope 1 and 2 emissions. Whist encouraging progress, this also reflects the complexity faced by some industries as they navigate investment in new technologies, infrastructure and process modifications; complex regulatory environments; and evolving market expectations. CLC projects, undertaken throughout the year, have sought to address some of these challenges.

As with other countries, Australia must maintain focus to address these priority challenges with urgency and determination.

The inter-company collaboration underway is remarkable. And while these efforts should be celebrated, the Coalition recognises our work is far from done.

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Climate Leaders Coalition
Co-Chair

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CLC Members

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Harris Farm Markets

Alan Beacham
Toll Group

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TPG Telecom

Nick Bangs
Unilever Australia

Dean Banks
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Mauro Neves de Moraes
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Rebecca Hanley
Laing O'Rourke Australia

Mark Mazurek
Linfox

Sam Fischer
Lion

Jayne Hrdlicka
Virgin Australia

Scott Wyatt
Viva Energy

Rob Scott
Wesfarmers

Liz Westcott
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David Koczkar
Medibank

Steve Worrall
Microsoft Australia

Campbell Hanan
Mirvac Group

Sandra Martinez
Nestle Oceania

Amanda Bardwell
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 we will publicly launch a Climate Transition Plan for our organisation, in alignment with the timing required by the disclosure requirements to be developed by the AASB.

FY24 Snapshot

CLC Member Snapshot

47

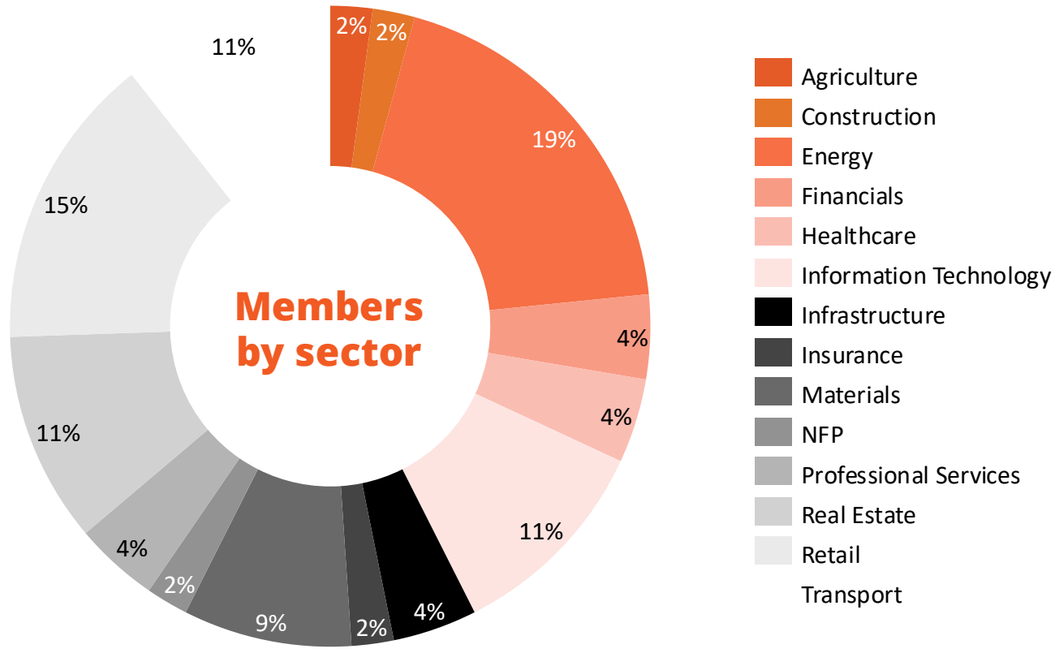
members[1]

920k+

Employees[2]

$490b+

Total Reported Revenue[3]

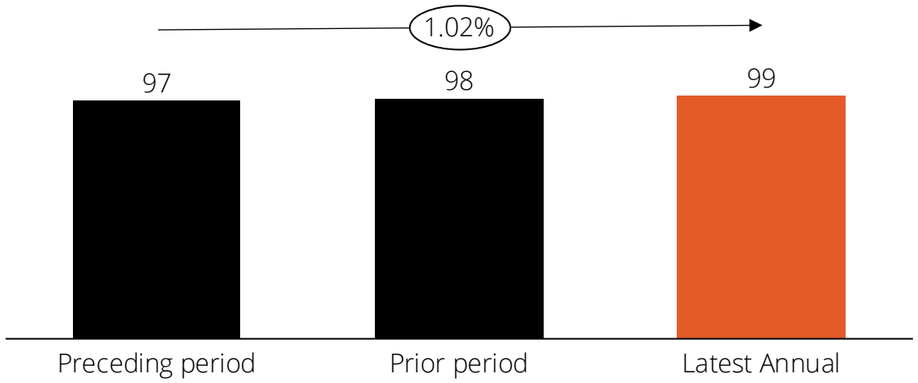


1 As of 30th November 2024, the CLC includes 47 members
2 Reporting includes 42 out of 47 total members; 5 members were unable to provide Australia-specific data
3 Reporting includes 39 out of 47 members; 8 members were unable to provide Australia-specific data

Emissions

Scope 1 and 2 Emissions

CLC Member Totals ($MtCO_2$-e)



These results are based on the data from 36 member organisations who were able to provide data for all 3 consecutive years. 11 member organisations were unable to provide data for all years and therefore were excluded from this year-on-year comparison.

25
Members
have decreasing emissions

10
Members
have increasing emissions

These results are based on the CAGR from 36 member organisations who were able to provide data for all 3 consecutive years. 11 member organisations were unable to provide data for all years and therefore were excluded from this year-on-year comparison. 1 member organisation had equal emissions. The majority of companies with increasing emissions form part of the airline and energy sectors.

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 FY24 was collected by the 28th November 2024. Some members had not yet published FY24 data as of this date, so measurements of the most recent annual public data and the two preceding periods were used instead, or the most recent data was omitted. See Appendix for detailed reporting.

Scope 1 and 2 Emissions targets

2025

absolute emissions targets are held by

50%
of members

...up from
45%
in 2023

2030

Absolute emissions targets are held by

86%
of members

...up from
79%
in 2023

These results are based on 44 member organisations who provided data on targets. 3 organisations did not provide data on targets and have been excluded. Emissions targets are absolute targets. Please reference individual company reports for more information.

Achievements

Solving for nature and climate together

Project. To understand and act on nature dependencies and impacts, particularly those which accelerate business opportunities in climate mitigation and nature regeneration.

Why Nature: 55% of global GDP is moderately or highly dependent on nature – some $USD58 trillion. 33% of climate mitigation can be provided by nature-based solutions.[1]

What have we done in 2024:

- **Released and launched NatStart** – a digital tool that allows us to prioritise likely material exposure to nature impacts and to build a credible business case for nature-based assessment. There are currently 60 individuals, and 48 organisations signed up to use the tool. The tool is in the official nature toolkit of the Responsible Investment Association of Australasia (RIAA) and was shared at Climate Week in Australia.
- **Delivered four nature catalyst sessions,** with support from external subject matter experts, to accelerate each company's ability to use the NatStart tool, deepen understanding of double-materiality nature impacts, enable more successful stakeholder engagement and prepare credible business cases.
- **Prepare for disclosure** under the Taskforce on Nature-Related Financial Disclosures (TNFD) through support of members committing to adopt the disclosure framework. With CLC adopter companies increasing from one to six and several more in progress:
  - Created learning opportunities to support alignment on what commitment to TNFD means for individual CLC members
  - Assessed the organisational value and benefits of committing to TNFD in 2024
  - Shared insights on what others were doing globally and in Australia
- **Engaged broadly for systemic change -** Provided opportunities to present member progress and challenges at cross sectoral collaborations including the Australian Climate & Biodiversity Foundation and CLC joined the Nature Positive Matters initiative.

1. WEF, *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy (Page 8)*, 2020
2. There are many examples of this expectation from different sources. One example is: https://www.aicd.com.au/risk-management/framework/climate/nature-and-biodiversity-the-other-side-of-the-climate-coin.html

What have we learnt?

- 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.
- Mandatory disclosure under TNFD is likely soon. What took 15 years with climate is expected to unfold in 2–5 years for nature.[2]
- Identifying the most material areas of nature risk and develop a cross-functional business case for a nature-based assessment (such as TNFD LEAP) is the most critical first step
- Nature will have its tension points and trade-offs. What may solve one nature impact can create new nature impacts. Traditional return on investment, value and time indicators may not remain applicable.
- In addition to deploying nature-based solutions, companies will invest in alternatives to existing supplies and activities which currently degrade nature. Emerging technologies and approaches in AgTech, climate-tech and related fields have promise.

What's next: The biggest drivers of nature degradation in Australia are land use, deforestation, water scarcity, soil degradation, and invasive species. We are now developing a collaborative project for 2025 on one of these areas. CLC members involved will develop and implement a value-creating nature positive value chain outcome as well as universal approaches that can be utilised by all member companies.

Thank you to the many organisations who led this work:

Project Lead Sponsor: BLACKMORES

Support Partner: pwc

Reducing methane emissions across the natural gas value chain

The project: This initiative aims to accelerate economy wide methane emissions measurement, tracking and reduction in alignment with the Paris Agreement. The initial focus is on the gas value chain.

Why methane? Methane is a greenhouse gas with an impact 84 times greater than carbon dioxide over the first 20 years after release into the atmosphere[1,2]. Methane emissions are driving 30% of global warming through both human and natural activity[1].

What are we doing? The project has two workstreams:

- From calculation to measurement: focused on improving tracking and measurement, and applying learnings across the group
- From measurement to reduction: focussed on designing the steps / checklist to reduce emissions in line with the Global Methane Pledge.

Progress so far:

Built knowledge and trust: Understood the complexity of measuring methane emissions across the gas value chain, identified possible solutions and learnt from others including the Appalachian Methane Initiative, CSIRO and Bain.

Developed:

- A methane maturity checklist tool to assess how to start or progress methane emissions reduction
- A roadmap to support the move from calculation (factored) to measurement of methane emissions
- An evaluation of measurement technologies that offers a review of available technologies for methane measurement and applicable use cases
- An abatement prompt list to identify potential methane reduction opportunities in the natural gas value chain

What's next: Aggregation of measured methane across Australia's gas value chain to support business decisions for methane abatement.

Thank you to the many organisations who led this work:

APA, Australian Gas Infrastructure Group, CSIRO, Jemena, origin, Santos, worley, Woodside Energy

Support Partners

BAIN & COMPANY, worley

1. Intergovernmental Panel on Climate Change (IPCC) (2014), Fifth Assessment Report (AR5), https://www.ipcc.ch/assessment-report/ar5/
2. IEA (2023), The imperative of cutting methane from fossil fuels, IEA, https://iea.blob.core.windows.net/assets/9efb310e-94d7-4c46-817b-9493fe5abb0a/Theimperativeofcuttingmethanefromfossilfuels.pdf

Accelerating the deployment of zero emission line haulage in Australia

Context: Transport currently emits 98 MTCo2-e p.a. (~20% of total Australian emissions) and is likely to be the largest contributor to Australia's total GHG emissions from 2028. Road freight line haul contributes to ~15% of total transport emissions (~13 MT CO2-e)[1]. Given Australia's unique environmental conditions and large distances, there is currently no clear solution for tackling this.

Project objective: In April 2024, eight Climate Leaders Coalition organisations from across the Australian line haul value chain, came together in a ground-breaking effort to deploy their collective resources to tackle this substantial challenge to Australia's decarbonisation pathway. The focus was to co-design, with a view to executing long haul technology pilots enabling accelerated scaling of fit-for-purpose technologies based on pilot learnings

- Assess technologies through shared learnings within the industry to accelerate the path to scale and avoid unnecessary investments
- Test the concept and provide industry-wide learnings on technology suitability and viability through real world pilots
- Explore pathways to reduce Australia's transport-related emissions in the near term and establish a plan for scaling to accelerate net zero emission technology adoption

Progress so far: The project consists of 4 phases, 2 of which have been completed with investment from project partner organisations:

- Phase A: Strategic assessment of net zero line haul technologies against 8 lenses (tech availability, total cost of ownership, environmental impact, investment, safety, operational performance, fuel chain requirements, scalability) and 17 criteria to prioritise 3 suitable technologies
- Phase B: Detailed design for 3 pilots based on core design principles, including maximising emission reduction and accelerating timelines. These include Renewable Diesel, Battery Electric and Fuel Cell Electric powered prime movers.

What's next: Detailed pilot implementation planning as well as securing funding, approvals and preparing for launch are underway. Execution of the pilots commences in 2025. The pilots are intended to generate learnings including impacts on efficiency, load capabilities, trip times, total cost of ownership, and operational considerations as compared to traditional fossil diesel.

Thank you to the many organisations who led this work:

TOLL, AMPOL, woolworths, VIVA Energy Australia, BLACKMORES, Schneider Electric, Commonwealth Bank, EnergyAustralia

Support Partner

McKinsey & Company

1. McKinsey analysis

Artificial Intelligence (AI) for Climate: How AI Can Accelerate Decarbonisation of Self and Others

AI can accelerate the transition to net zero, reduce risks, and support solutions for biodiversity conservation and pollution mitigation across diverse industries. However, the rapid expansion of AI use also poses potential climate and environmental challenges, including increased energy demand, embodied carbon, and water usage.

In September 2024, we launched the AI for Climate initiative with the following objectives:

- **Measure the climate and environmental impacts of AI development in Australia** and assess potential mitigation strategies. This work will result in a blueprint for zero-impact data centers, set for release in 2025.
- **Identify and map key AI applications** in energy transition, decarbonisation, biodiversity conservation, risk management, and pollution reduction. This will culminate in the AI for Climate use case mapping, which will be published by the end of this year.

Over the past few months, our members have shared their insights on how they currently use AI to track and reduce emissions, along with gaps they perceive and potential collaboration opportunities.

Many lessons were learnt, particularly:

- **AI offers numerous pathways to accelerate corporate decarbonisation efforts,** as detailed in our mapping of AI applications for climate mitigation, adaptation, and restoration.
- **Evaluating the trade-off between AI development/use and the potential benefits it enables** (particularly in terms of GHG emissions reduction) is crucial.
- **Many industries are already leveraging AI to decarbonise their value chains,** creating numerous opportunities for learning and collaboration.
- AI can also be a, including nature, circularity, demand-side energy management, and more. **powerful enabler across other focus areas within CLC.**

Thank you to the many organisations who contributed to this work:

Project Lead Sponsor: Microsoft

Support Partner: EY

Climate Transition Action Plans: Catalyst Sessions to Address Collective Challenges and Drive Action

This year, our members focused on collaboration through three Catalyst Sessions—Incentivising Collaboration, Making it Happen, and Attracting Finance, Investment & Innovation. These sessions fostered candid conversations through presentations, fireside chats, case studies, and learning labs. These sessions enabled members to openly discuss collective challenges and brainstorm actionable solutions.

Building on the momentum of 2023, our focus in 2024 has been to support members in developing credible[1] Climate Transition Action Plans (CTAPs). With transition planning now a national and global priority, this year represents a critical window to learn, adapt, and influence.

The sessions delved into practical solutions for 'thorny problems' and explored opportunity 'bright spots,' emphasising collaboration, data, governance, reporting, and securing the financing essential for a successful transition.

Many lessons were learned across the way, notably::

- **Adopt a Transformational Mindset**: Shift from compliance to transformational approaches, embedding climate risk into all business operations.
- **Foster Collaboration**: Build partnerships and drive systemic change through collective efforts.
- **Prioritise Data Quality**: Standardised, accurate ESG data supports decision-making, decarbonisation, and sustainable finance.
- **Invest in Decarbonisation**: Focus on reducing emissions directly rather than relying on carbon offsets.
- **Engage Stakeholders**: Proactively involve communities to create shared value and ensure credibility.
- **Strengthen Climate Governance**: Align leadership and governance to build capacity and reduce barriers to net-zero transitions.

To complement these sessions, we developed detailed summary reports distilling key insights, highlighting actionable takeaways, and providing additional resources to support members in deepening their understanding and advancing their CTAPs.

Thank you to the many organisations who led this work:

Project Lead Sponsor: Australian Red Cross

Support Partner: Deloitte.

Independent Subject Matter Expert: Climateworks Centre

1. See https://www.worldbenchmarkingalliance.org/news/assessing-companies-transition-plans-collective-atp-col/ or https://finance.ec.europa.eu/document/download/ec293327-af1d-432c-8523-cfe7eec8367e_en?filename=250123-building-trust-transition-report_en.pdf for more on what 'credible' means in the context of transition planning

Appendix A CLC member data

	Scope 1 and 2 Emissions (ktCO2-e)			Scope 3 Emissions (ktCO2-e)	Targets		Company	
Member	Most recent reporting period:	Prior reporting period:	Preceding reporting period:	Most recent reporting period:	2025 Absolute Emissions Reduction Target	2030 Absolute Emissions Reduction Target	Number of Employees	Total reported revenue (A$m)
AGL	33,200.00	35,200.00	40,100.00	25,900.00	Y	N	4,356	13,583
Ampol Limited	-	905.40	970.61	-	Y	Y	9,115	37,750
APA	2,043.03	2,166.83	2,343.78	656.84	N	Y	2,761	3,064
Australian Red Cross	22.56	25.51	28.76	77.54	Y	Y	4,498	1,060
BHP	9,200.00	8,900.00	9,900.00	377,600.00	N	Y	40,872	55,658
Blackmores Group	3.40	6.46	10.60	1.72	Y	Y	1,282	-
Citi[1]	-	-	-	-	Y	Y	-	-
Coles Group Limited	965.81	980.56	1,356.82	19,066.81	N	Y	118,150	43,571
Commonwealth Bank of Australia	7.29	7.90	6.67	63.86	Y	Y	48,887	27,174
Deloitte Australia	1.28	4.22	0.86	15.26	Y	Y	13,077	2,780
Dexus	114.45	99.14	106.49	39.56	Y	Y	946	1,352
Downer EDI Ltd	331.67	378.58	372.93	793.57	N	Y	30,608	11,968
Energy Australia Pty Ltd[6]	-	17,566.36	16,367.64	-	N	Y	2,330	6,140
Fletcher Building (Australia) Pty Ltd[7]	258.01	273.20	295.41	-	N	Y	4,317	1,794
Fortescue Limited	2,380.00	2,260.00	2,210.00	269,300.00	N	Y	15,672	27,783
Goodman Group	6.23	6.06	14.74	15.86	N	Y	976	-
Harris Farm Markets	23.91	22.71	-	171.69	Y	Y	3,600	750
Incitec Pivot Limited	2,479.95	3,838.20	3,889.18	8,460.00	Y	Y	5,672	5,279
Laing O'Rourke	8.72	9.20	-	506.71	N	Y	2,482	2,830

1 Data not reported
2 Data not received
3 Reports only global figures, so has been omitted in this report
4 Emissions reported on equity basis
5 Achieved carbon negative in FY22 and therefore does not have updated absolute or emissions intensity targets
6 Energy Australia's reported revenue was HKD 17,199,000. This estimate in AUD was calculated using an average exchange rate for the Australian dollar during the fiscal year 2022–2023 which was 1 AUD = 5.4059 HKD
7 From Fletcher Building Annual Report reported in NZD, and converted to AUD
8 Medibank emissions excluding an acquisition made part way through FY24 (Myhealth) – Myhealth emissions are disclosed separately in Medibank's FY24 Sustainability Report

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 FY24, 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.

	Scope 1 and 2 Emissions (ktCO2-e)			Scope 3 Emissions (ktCO2-e)	Targets		Company	
Member	Most recent reporting period:	Prior reporting period:	Preceding reporting period:	Most recent reporting period:	2025 Absolute Emissions Reduction Target	2030 Absolute Emissions Reduction Target	Number of Employees	Total reported revenue (A$m)
Linfox	230.34	220.21	-	-	Y	Y	7,794	3,800
Lion	33.34	63.55	63.40	332.64	N	Y	2,483	2,123
Medibank[8]	1.36	1.65	2.19	19.10	Y	Y	3,220	8,176
Microsoft Corporation[3]	-	-	-	-	Y	Y	-	-
Mirvac Group[5]	0.10	0.10	0.10	11.34	N	N	1,684	3,035
Nestlé S.A.	28.78	29.34	93.46	-	Y	Y	4,155	2,657
Origin Energy Limited[4]	16,584	14,787	14,186	28,394	N	Y	5,616	16,138
Pacific National	851.47	892.27	957.43	565.11	N	N	3,541	2,299
PwC Australia	0.27	0.39	0.32	56.20	N	Y	6,726	2,500
Qantas	11,516.72	9,783.15	4,799.30	6,094.19	N	N	29,000	21,939
Ramsay Health Care	233.00	268.00	278.00	-	Y	Y	90,869	16,800
Santos	4,970.00	4,920.00	4,970.00	-	N	Y	3,864	8,864
SAP[2]	-	-	-	-	-	-	-	-
Scentre Group	170.23	191.11	203.85	77.45	Y	Y	2,964	2,856
Schneider Electric[3]	-	-	-	-	-	-	-	-
ServiceNow[2]	-	-	-	-	-	-	-	-
Stockland	37.81	39.27	-	15.08	Y	N	1,685	843
Telstra Group Limited	817.61	910.61	1,123.88	1,604.09	Y	Y	33,761	23,482
Toll Group	178.96	212.97	219.75	955.27	N	Y	5,210	2,516
TPG Telecom	228.80	227.60	229.20	1,235.20	N	Y	6,051	5,533
Unilever Australia	27.59	25.27	30.22	-	Y	Y	850	1,158
Ventia Services Group Limited	46.29	44.92	50.53	740.21	N	Y	15,639	5,676
Virgin Australia Holdings Pty Ltd	2,488.54	2,271.27	1,304.74	1,151.71	N	N	7,830	5,400
Viva Energy Australia	1,299.18	1,378.49	1,202.05	45,672.35	N	Y	8,055	26,741
Wesfarmers Limited	1,132.40	1,196.70	1,225.70	35,800.00	Y	Y	120,000	44,200
Woodside Energy Group	5,532.00	4,615.00	3,235.00	72,825.00	Y	Y	4,667	21,436
Woolworths Group	1,767.28	1,941.58	2,117.16	34,000.00	N	Y	201,387	67,922
Worley	38.36	41.42	48.21	1,062.73	Y	Y	49,700	11,616