CLIMATE
LEADERS
COALITION

ANNUAL REPORT 2025

Australian business collaborating to create a low carbon, prosperous Australia

THE B TEAM
An initiative of B Team Australasia

December 2025

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 focused on accelerating Australia's transition to a low-emissions, climate-resilient economy through business-led collaboration. Now in our sixth year, the Coalition continues to demonstrate the value of coordinated, cross-sector work in advancing business transitions in alignment with the Paris Agreement.

In 2025, CLC members undertook a range of collaborative initiatives including advancing decarbonisation in line haul freight, improving the management of Scope 3 data in agriculture, demand-side energy optimisation, and exploring the role of artificial intelligence in emissions reduction and climate risk. Members also continued to integrate nature into business strategy and investment, including new approaches to shared value measurement and sustainable supply chains. These projects reflect the Coalition's practical focus: delivering solutions that can be applied in real-world business contexts and scaled for broader impact.

This work has taken place against a backdrop of growing global and domestic complexity. The international community is grappling with the uneven pace of climate ambition and implementation, while Australia faces intensifying pressure to decarbonise, adapt, and unlock economic opportunity through clean technologies and resilient infrastructure. At this stage of the transition, progress depends not just on ambition but on execution. This includes the alignment of capital, policy, and capability to deliver outcomes at scale.

In this context, collaborative business leadership is critical.

Looking to 2026, the Coalition remains committed to deepening impact through shared action. As expectations grow, the Coalition will remain a platform for ambition, delivery, and accountability, working together to help accelerate decarbonisation of business in Australia.

Ann Sherry
Climate Leaders Coalition
Co-Chair

John Lydon
Climate Leaders Coalition
Co-Chair

Beth Dowe
Climate Leaders Coalition
Executive Director

Lynette Mayne
B Team Australasia
Executive Chair

CLC Members

Damien Nicks
AGL Energy

Matt Halliday
Ampol Limited

Robin Khuda
Airtrunk

Andrew Colvin
Australian Red Cross

Jane Livesey
Microsoft Australia

Campbell Hanan
Mirvac Group

Sandra Martinez
Nestlé Oceania

Per Mejnert Kristensen
Orsted

Alastair Symington
Blackmores Group

Renee Holbrook
Brambles

Mark Woodruff
Citigroup

Leah Weckert
Coles Group

Kevin Burrowes
PwC Australia

Vanessa Hudson
Qantas Group

Mark Wiessing
Rabobank

Kevin Gallagher
Santos

Matt Comyn
Commonwealth Bank

Joanne Gorton
Deloitte Australia

Mauro Neves de Moraes
Dyno Nobel

Mark Collette
EnergyAustralia

Angela Colantuono
SAP Australia

Colette Munro
Schneider Electric

Tarun Gupta
Stockland

Vicki Brady
Telstra

Hamish McBeath
Fletcher Building

Dino Otranto
Fortescue Metals Group

Michael Argyrou
Hickory

Mark Dimmock
Laing O'Rourke Australia

Alan Beacham
Toll Group

Inaki Berroeta
TPG Telecom

Dean Banks
Ventia

Dave Emerson
Virgin Australia

Mark Mazurek
Linfox

Anubha Sahasrabuddhe
Lion

Bill Heague
Mars

David Koczkar
Medibank

Rob Scott
Wesfarmers

Liz Westcott
Woodside

Amanda Bardwell
Woolworths Group

Gillian Cagney
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.

Achievements

Demand Side Energy (DSE) optimisation: Clear, practical steps for a credible decarbonisation journey

Context. Businesses are experiencing heightened exposure to energy price volatility, supply constraints and accelerating decarbonisation expectations. DSE enables organisations to actively manage consumption, strengthen resilience, reduce emissions and unlock new value streams through behind-the-meter optimisation, onsite generation and storage, and flexible market participation.

Project Objectives. To build a shared understanding of DSE and its relevance to Australian businesses by:
- Establishing a clear definition of DSE - what it is, where it applies, and how it creates value.
- Identifying the business, operational and market barriers preventing organisations from acting on DSE opportunities.
- Mapping where energy is used across different asset classes and operations, and highlighting where cost, emissions and resilience benefits can be unlocked.
- Exploring emerging technologies and operational approaches that support demand optimisation.
- Providing clarity on how DSE can form part of credible decarbonisation and risk-management pathways across CLC member organisations.

Deliverables:
- Delivered a complete Toolkit guiding organisations to identify opportunities, evaluate risks and embed DSE into capital planning, procurement and enterprise risk frameworks.
- Developed common definitions and use-case mapping (refrigeration, HVAC, industrial heat, electrification, fleet, storage, onsite renewables).
- Defined market-participation pathways including flexible contracting, demand response and virtual power plant (VPP)-enabled revenue streams.
- Established a standardised business-case approach linking DSE investments to operating-cost reduction, resilience, emissions impact and capital efficiency.
- Built capability uplift through governance models, data requirements and energy-literacy guidance for organisational adoption.

Key learnings:
- DSE has shifted from a technical option to a strategic lever for resilience, cost stability and decarbonisation.
- Operational optimisation alone can deliver ~10% savings before capital investment.
- Early action is critical; coal exits, gas constraints and rising volatility eliminate late-mover advantage.
- Flexible loads, storage and VPP integration unlock new revenue opportunities - not just cost savings.
- Organisational barriers (governance, literacy, fragmented planning) remain the primary constraint.
- Digital tools - AI, automation, real-time monitoring - significantly de-risk decisions and strengthen business cases.
- Integrating DSE into risk registers, capital planning and AASB S2-aligned disclosures improves credibility and access to capital.

Thank you to the organisations who led this work:

Project Lead Sponsor

Support Partner

Addressing the challenge of scope 3 emissions in agriculture: Can a data exchange reduce the burden on producers and allow companies to credibly report?

This year, supporting members sought to test the hypothesis that an independent, multi-party data exchange could help reduce the burden on farmers to provide credible scope 3 emissions data through the supply chain to satisfy market needs. Focusing in on the dairy sector, the current capture and collection of scope 3 emissions data was evaluated across the supply chain. This included dairy farmers in both New Zealand and Australia, through to banks, processors and retailers.

CLC members are piloting a beta data exchange, the Australian Agricultural Data Exchange, which was a government funded, CSIRO supported solution designed to enable the sharing of data between parties in a cloud environment.

Many lessons were learned across the way, notably:

- **Members can access a data exchange in a secure capacity**, and see information permissioned to them only;
- **Standardisation of data collection, granularity and storage** is going to be key to delivering on reporting requirements and maintaining simplicity for producer and processor stakeholders;
- **Producers have a range of mechanisms to capture information,** the assurability of this data by downstream stakeholders needs to be better understood;
- **Producers want to understand the value from participating,** the extent to which they will share their information is limited by their desire to receive information or benefit from doing so;
- **The ongoing commerciality and governance of the data exchange moving forward needs to be further understood**, to ensure that it supports the needs of all stakeholders, is governed appropriately and its commercial model is well understood to potential users.

Throughout 2025, several external developments occurred: the Commonwealth Government launched a review to simplify emissions reporting in the agriculture sector, other data exchanges have continued to develop, and the work of industry bodies such as the National Farmers' Federation and Agriculture Innovation Australia have also progressed. The work of these organisations will be considered when aligning on project objectives for 2026.

The ambition of members remains strong. There is a burning platform to continue to address the scope 3 emissions challenge in agriculture, and by the end of 2026 members want to be able to see data moving from producers to other stakeholders securely.

Thank you to the many organisations who led this work:

Project Lead Sponsors

Supporting Members

Support Partner

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: A strategic assessment of technology pathways, pathway prioritisation, detailed pilot designs and deployment simulations have been completed.

- Phase A: Strategic assessment and pathway prioritization 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.
- Phase C: Pilot deployment simulations by modelling detailed pilot scenarios and testing operational feasibility, cost implications, and critical success factors under real-world conditions
- Phase D: Discreet on-ground pilot implementation where necessary for additional insights (pending)

What's next: Insights from work-to-date are supporting ongoing focus on 'critical unlocks' required to accelerate large-scale deployment. Phase D (on-ground implementation where required to test technology performance, gather operational and commercial insights, and inform scaling strategies) will be reassessed in 2026 for a decision on necessity and timing by technology type.

Thank you to the many organisations who led this work:

Source: Climateworks Centre, Delivery Freight Decarbonisation (Oct, 2023)

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

This year we continued the AI for Climate initiative.

Context and Opportunity: AI can accelerate Australia's transition to net zero by optimising renewable energy, improving climate and biodiversity monitoring, reducing industrial emissions, and enabling more efficient agriculture, transport, and infrastructure. These capabilities position Australia to build a competitive advantage in AI for climate.

At the same time, AI's rapid growth brings environmental challenges. Data centres already consume about 2 to 2.2 percent of electricity in the National Electricity Market and are projected to reach roughly 6 percent by 2030 and 12 percent by 2050. This growth adds pressure through embodied carbon, higher energy demand, and increased water use. The challenge is amplified by the fact that around 64 percent of Australia's electricity generation in 2024 still came from fossil fuels, though this continues to decline with expanding renewables.

Progress so far – this year we launched:

- *Artificial Intelligence for Climate: Use Case and Solution Mapping* charts most promising AI applications against the IPCC's framework of Mitigation, Adaptation and Restoration.
- *AI and Scope 3: Precision on the path to net-zero emissions* report offers practical guidance on how AI can transform emissions management across complex value chains.
- *AI, climate and the environment: Strategies to reduce the impact* guide examines AI's environmental impact globally & in Australia and outlines practical strategies (demonstrated through case studies) to reduce this footprint.

What's next: Confirm the scope and launch the Green, Secure Data Centres project. The aim of the project would be to limit the climate impact of AI infrastructure in Australia through driving an inflection in the deployment of green, secure data centres and enabling data centres to play a role in stabilising the grid and catalysing new renewable investment. Align energy, digital, and investment planning, and position Australia as the renewable-powered data hub.

Thank you to the many organisations who led this work:

Project Lead Sponsor: Microsoft

Support Partner: EY

Solving for nature and climate together

The Nature Working Group was established in 2023 to understand an organisation's exposure to nature risk and explore approaches to integrate nature positive ways of working into net zero pathways.

Why Nature. 55% of global GDP is moderately or highly dependent on nature – some $USD58 trillion. Biodiversity is essential to human survival, wellbeing and economic prosperity. At the same time, nature and biodiversity are in crisis.

Nature is the most cost-effective way to remove carbon from the atmosphere, and to mitigate climate impacts. The means prioritising nature is integral for business strategy. 33% of climate mitigation can be provided by nature-based solutions.[1]

The 2025 Program. The objective was to consider nature risks and opportunities as an aligned value chain, including co-investment in initiatives that have nature benefits, decarbonisation outcomes and create premium brand and product differentiation. A new, shared way to account for multidimensional value – financial value, social value, resilience and value-at-risk – will enable the quantification of opportunities for investment decisions.

Activities, In 2025 there have been two projects within the program

- Sustainable agriculture and emissions reduction in a value chain for brewing. How might a Scope 3 insetting mechanism support nature-beneficial impacts and decarbonisation initiatives from graingrowers to retaliers?
- Renewable energy for a nature-positive Australia explored the opportunities for utility-scale renewables to minimise impact on nature for business, and provide co-benefits to communities.

Outcomes. Outcomes in the brewing value chain project include:

- A concept. Developing a concept for value chain co-investment in sustainable agriculture and defining emissions reductions using Scope 3 insetting.
- A pilot. Since October, the project working group has turned its attention to the design of a pilot demonstration of that concept within the brewing value chain. This work will continue in 2026.

Thank you to the many organisations who led this work:

CLC project participants

Support Partner

Partners and contributors

[1] WEF, *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy (Page 8)*, 2020

Appendix A CLC member data

Member	Scope 1 and 2 Emissions (ktCO2-e) Most recent reporting period:	Prior reporting period:	Preceding reporting period:	Scope 3 Emissions (ktCO2-e) Most recent reporting period:	Targets[9] 2025 Absolute Emissions Reduction Target	2030 Absolute Emissions Reduction Target	Company Number of Employees	Total reported revenue (A$m)
AGL	30,700	33,200	35,200	23,200	Y	Y	4,256	14,393
AirTrunk[1]	-	-	-	-	-	-	-	-
Ampol Limited	-[4]	943	905	60,758	Y	Y	9,127	34,880
Australian Red Cross	2	23	26	-	Y	N	1,160	263
Blackmores Group	3	3	6	2	Y	Y	~1,200	690
Brambles	30	32	-	1,261	N	Y	~12,000	6,670
Commonwealth Bank of Australia	6	7	8	62	Y	Y	51,346	28,465
Citi[3]	-	-	-	-	-	-	-	-
Coles Group Limited	276	966	981	18,970	N	Y	117,124	44,352
Deloitte Australia	1	1	4	40	Y	Y	12,080	2,550
Dyno Nobel Limited	1,700	2,467	3,838	8,611	Y	Y	5,532	5,345
EnergyAustralia Pty Ltd	-[4]	16,672	17,566	-	N		2,255	7,722[5]
Fletcher Building	234	258	273	-[2]	N	Y	2,900	1,639[6]
Fortescue	3,020	2,720	2,550	275,880	N	Y	16,005	15,541
Hickory[1]	-	-	-	-	-	-	-	-
Laing O'Rourke	14	9	9	653	N	Y	2,000	3,310
Linfox	240	230	220	-	N	Y	7,976	3,279,000
Lion Pty Ltd	33	33	64	333	N	Y	2,380	2,026
Mars Australia[2]	-	-	-	-	Y	Y	1,905	1,967
Medibank	0	1	2	22	Y	Y	3,956	8,604
Microsoft[2]	-	-	-	-	-	-	-	-
Mirvac Group	-0	-0	-0	11	N	N	1,651	2,735
Nestlé S.A.	29	29	31	-	Y	Y	4,000+	2,788
Ørsted[2]	-	-	-	-	Y	Y	-	-
PwC Australia	1	-[7]	-[7]	14	N	Y	6,522	2,200
Qantas Group	12,198	11,517	9,783	7,306	N	N	~30,000	23,823
Rabobank[1]	-	-	-	-	-	-	-	-
Santos	4,380	4,810	5,070	29,900	N	Y	3,958	9,482
SAP[2]	-	-	-	-	-	-	-	-
Schneider Electric[2]	-	-	-	-	-	-	-	-
Stockland	34	38	39	-	Y	N	1,646	3,131
Telstra Group Limited	736	818	911	1,455	Y	Y	30,553	23,610
Toll Holdings Pty Limited	195	238	266	1,071	Y	Y	9,510	5,100
TPG Telecom	229	226	228	1,237	N	Y	3,300	5,520
Ventia Services Group Limited	40	45	44	833	N	Y	15,645	6,106
Virgin Australia Holdings Pty Ltd	2,544	2,489	2,351	1,099	N	N	8,148	5,576
Wesfarmers	1,027	1,132	1,197	30,500	Y	Y	118,000+	45,700
Woodside Energy Group	5,437	5,532	4,615	74,652	Y	Y	4,718	21,198[8]
Woolworths Group Limited	1,498	1,767	1,942	35,100	N	Y	202,000	69,077
Worley	31	38	41	1,317	Y	Y	45,500	12,050

1 Joined Coalition part way through year; will report in 2026 as first full year of membership
2 Reports only global figures, so has been omitted in this report
3 Data not received
4 Reporting not yet available
5 Energy Australia's reported revenue was HKD 37,097,000,000. This estimate in AUD was calculated using an exchange rate of 1 AUD = 4.8042 HKD
6 Fletcher Building reports in NZD. This estimate in AUD was calculated using an exchange rate of 1 NZD = 0.9138 AUD
7 Not reported due to change in reporting period and reset of emissions baseline (i.e. not comparable)
8 Equity revenue was $USD13,179million. Converted to AUD using exchange rate of 0.6217
9 Targets vary by company. May apply to any of scope 1, 2 or 3 or combinations of these.

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 FY25, 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.