

# ANNUAL REPORT 2022

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

November 2022

**THE B TEAM ▶**

An initiative of the B Team Australasia



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# CLC Members

As of 30 June 2022

 <b>Damien Nicks</b> AGL Energy	 <b>Matt Halliday</b> Ampol Limited	 <b>Adam Watson</b> APA	 <b>Kym Pfitzner</b> Australian Red Cross	 <b>George Frazis</b> Bank of Queensland
 <b>Edgar Basto</b> BHP	 <b>Alastair Symington</b> Blackmores Group	 <b>Gert-Jan De Graaff</b> Brisbane Airport Corporation	 <b>Matt Comyn</b> Commonwealth Bank	 <b>Marc Luet</b> Citigroup
 <b>Steven Cain</b> Coles Group	 <b>Larry Marshall</b> Commonwealth Scientific and Industrial Research Organisation (CSIRO)	 <b>Adam Powick</b> Deloitte Australia	 <b>Darren Steinberg</b> Dexus	 <b>Grant Fenn</b> Downer EDI
 <b>Mark Collette</b> EnergyAustralia	 <b>Elizabeth Gaines</b> Fortescue Metals Group	 <b>Greg Goodman</b> Goodman Group	 <b>Tristan Harris</b> Harris Farm Markets	 <b>Jeanne Johns</b> Incitec Pivot
 <b>Frank Tudor</b> Jemena	 <b>Rebecca Hanley</b> Laing O'Rourke Australia Group	 <b>Radek Sali</b> Light Warrior Group	 <b>Sam Fischer</b> Lion	 <b>Steve Worrall</b> Microsoft Australia

 <b>Susan Lloyd-Hurwitz</b> Mirvac Group	 <b>Ross McEwan</b> NAB	 <b>Sanjeev Gandhi</b> Orica	 <b>Alan Joyce</b> Qantas Group	 <b>Carmel Monaghan</b> Ramsay Health Care
 <b>Kellie Parker</b> Rio Tinto	 <b>Kevin Gallagher</b> Santos	 <b>Damien Bueno</b> SAP Australia	 <b>Elliott Rusanow</b> Scentre Group	 <b>Gareth O'Reilly</b> Schneider Electric Australia
 <b>Alistair Field</b> Sims	 <b>Mark Nielsen</b> Talent	 <b>Inaki Berroeta</b> TPG Telecom	 <b>Nicky Sparshott</b> Unilever Australia	 <b>Scott Wyatt</b> Viva Energy Australia
 <b>Rob Scott</b> Wesfarmers	 <b>Meg O'Neill</b> Woodside Energy	 <b>Brad Banducci</b> Woolworths Group	 <b>Chris Ashton</b> Worley	

The Australian Climate Leaders Coalition has also been greatly supported by Climateworks Centre.

This report has been prepared with input from all members. Additional drafting, project management support and graphic design was provided by Deloitte Touche Tohmatsu.

# 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 Australian. 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 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; and
- We believe that a responsible and equitable transition to a low emissions economy is an opportunity to improve Australia's prosperity.

# FY22 Snapshot

## New Members

In the past 12 months, the Climate Leaders Coalition grew from 32 members to 44 members<sup>1</sup>, further representing many of Australia's largest companies across 15 sectors of the economy.

This year we welcome to the CLC 13 new members and CEOs:

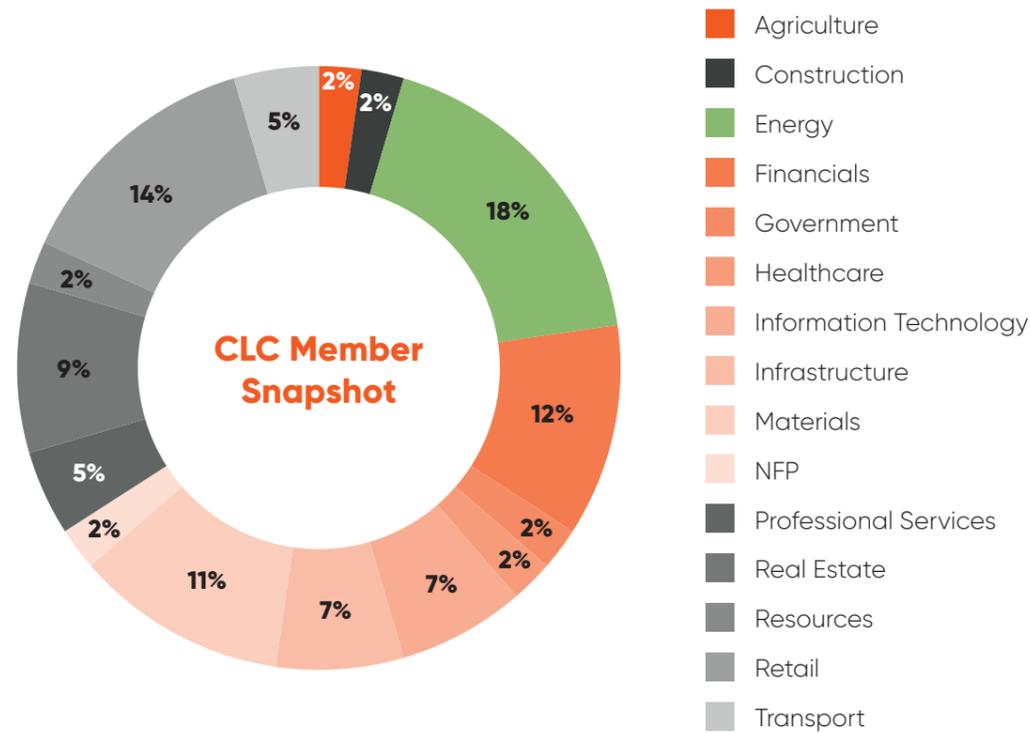
	<b>George Frazis</b>	Bank of Queensland
	<b>Alastair Symington</b>	Blackmores Group
	<b>Grant Fenn</b>	Downer EDI
	<b>Mark Collette</b>	EnergyAustralia
	<b>Greg Goodman</b>	Goodman Group
	<b>Tristan Harris</b>	Harris Farm Markets
	<b>Frank Tudor</b>	Jemena
	<b>Rebecca Hanley</b>	Laing O'Rourke Australia Group
	<b>Ross McEwan</b>	NAB
	<b>Alistair Field</b>	Sims
	<b>Inaki Berroeta</b>	TPG Telecom
	<b>Brad Banducci</b>	Woolworths Group
	<b>Meg O'Neill</b>	Woodside Energy

<sup>1</sup> As of 30th June, 2022. The CLC now includes 48 members, including Nestlé Oceania, ServiceNow, Origin Energy, and Ventia as of the 9th November

## Members by sector

**44**

Members



Member employee contribution

**FY22: 904,865**

Employees

**FY21: 643,899**

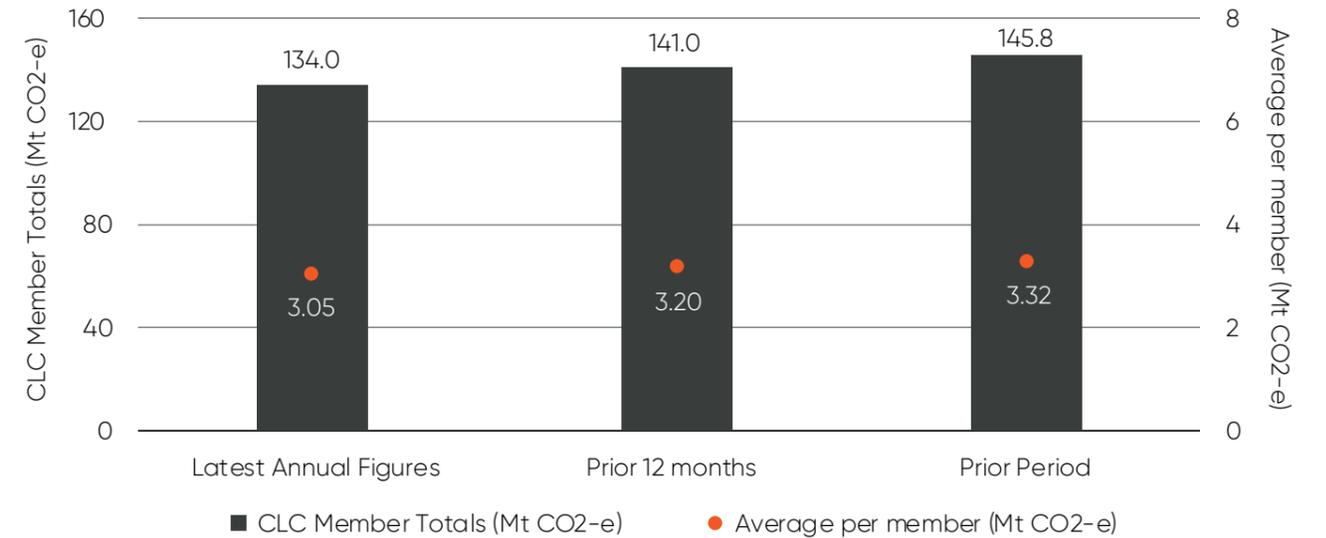
Member collective revenue

**FY22: \$502B**

Total Reported Revenue (AUD)

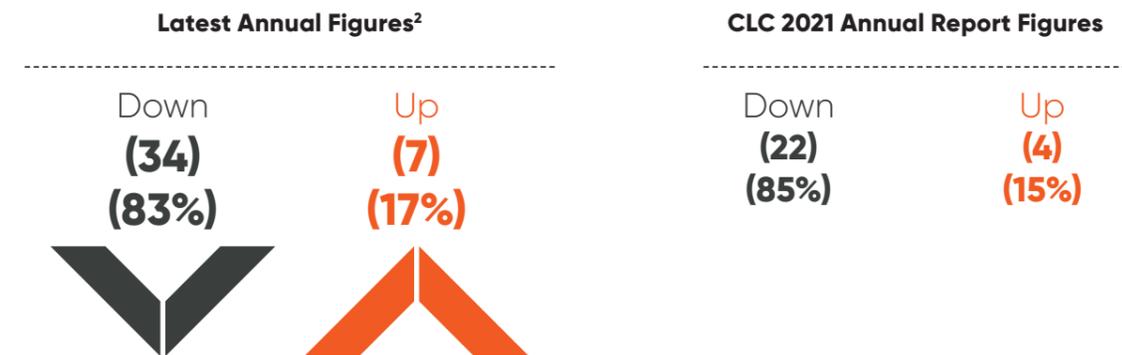
**FY21: \$306B**

## Australian emissions represented



## Member emissions' trajectories

Number of organisations with Scope 1 & 2 emissions trending:



### 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 FY22 was collected on the 28th of October 2022. Some members had not yet published FY22 data as of this date, so measurements of the most recent annual public data and the two preceding periods were used instead.

<sup>2</sup> Excludes Citigroup, Microsoft, and Schneider Electric as they only report global figures

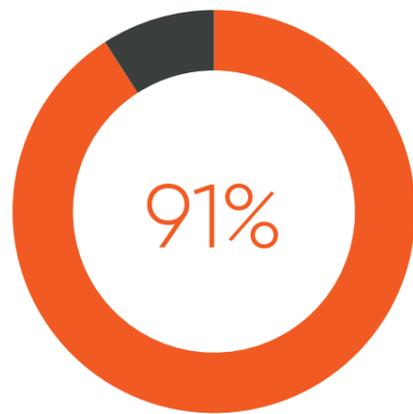
### Members' Scope 3 emissions

1484 Mt CO<sub>2</sub>-e

**Total CLC Member Scope 3 Emissions**

**77% of members currently report Scope 3 emissions**

### Members' emissions targets



**91%**  
of members have absolute emissions reduction targets



**36%**  
of members have emissions intensity targets

**These 2022 targets cover 134Mt of CO<sub>2</sub> emissions from 44 members**

90%  
CLC 2021  
Annual Report

53%  
CLC 2021  
Annual Report

The CLC 2021 Annual Report covered 111MT of CO<sub>2</sub> emissions from 30 members

## Achievements

### Scope 3 Roadmap: By CEOs for CEOs

Each year, the CLC and its members agree to commit to one common goal. In 2022, the coalition member organisations agreed to focus on what practical actions they can take to reduce scope 3 greenhouse gas emissions across value chains.

Over the past 12 months, the CLC and its members have been working closely together to determine how to create 1.5°C aligned value chains.<sup>3</sup>

The Scope 3 Roadmap was developed through five proof of concept value chains:



**Beef**



**Beer**



**Flight**



**Gas**



**Property**

These proof of concepts involved open and close collaboration between 35 companies, collaboration experts, climate technology experts, technology providers, third-party data custodians, and certifiers.

The past 12 months led to many lessons being learned, notably:

- Addressing scope 3 is hard but possible.
- Building trusted interdependent and mutually accountable relationships with value chain partners will define the winners and the losers.
- It is a business transformation. The timeframe might be longer, but the techniques are familiar.
- We must focus on what can be achieved together.
- That the roadmap and the five proof of concepts is just the beginning to create 1.5°C aligned value chains.

The Scope 3 Roadmap will be launched at COP27 in Egypt this year.

<sup>3</sup> Case study support was also provided by non-member organisations.

Beef: Elders, Hilton Foods APAC, Teys  
Beer: Boortmalt, BevChain (Linfox), Visy  
Case study project manager: Climateworks Centre  
Project Manager: PwC

## 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:



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 FY22 was confirmed.



### Data gathering

Documents were requested 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 FY22 period.



### Quality review

Quality review was conducted to verify the calculation approach for the B Team Australasia.

## Carbon Investment Scheme Survey

This year the CLC members also participated in a Carbon Investment Scheme (CIS) survey.

A CIS assigns an incremental fee on carbon emissions associated with a company's emission reduction targets. It makes the costs and consequences of climate risks and opportunities tangible to the broader company by allocating fees to business units to raise funds to invest in green initiatives such as internal efficiencies, green power, or carbon offset projects.



### Member Case Study | Microsoft

#### The "Why"

Microsoft introduced an internal Carbon Fee to create a funding source that enables and supports their ability to reach carbon neutrality and support the pathway to being carbon negative by 2030 and erase its entire carbon footprint by 2050.

#### The "How"

Microsoft's internal Carbon Fee is used to measure and understand what vehicles provide the best return from use of the carbon fee, changing the way scope 3 emissions are measured to drive behaviour and reductions and empower other organisations to implement similar schemes. This includes:

- Tracking scope 1, 2 and 3 carbon emissions across the entire organisation.
- Charging business groups a carbon fee for their portion of emissions.
- Investing in reductions, carbon removal and other sustainability objectives.

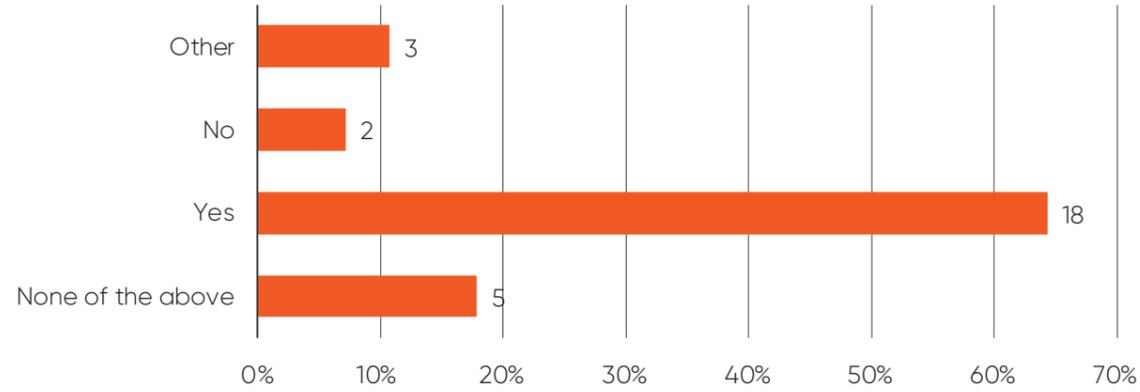
#### The "Results"

By implementing a Carbon Fee, Microsoft has invested over US\$1B globally in carbon reduction and removal projects and is on target to achieving their emission targets.

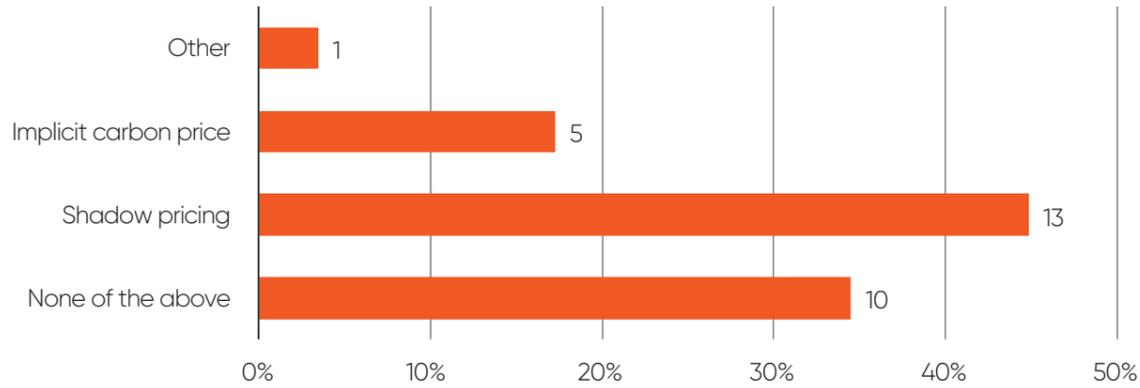
CLC members were asked 31 questions on their emissions targets, current carbon investment schemes, and impacts of those schemes, or future schemes, on their businesses and emission reduction activities. Four key questions and their responses are provided below.<sup>4</sup>

<sup>4</sup> 28 CLC members responded to the survey

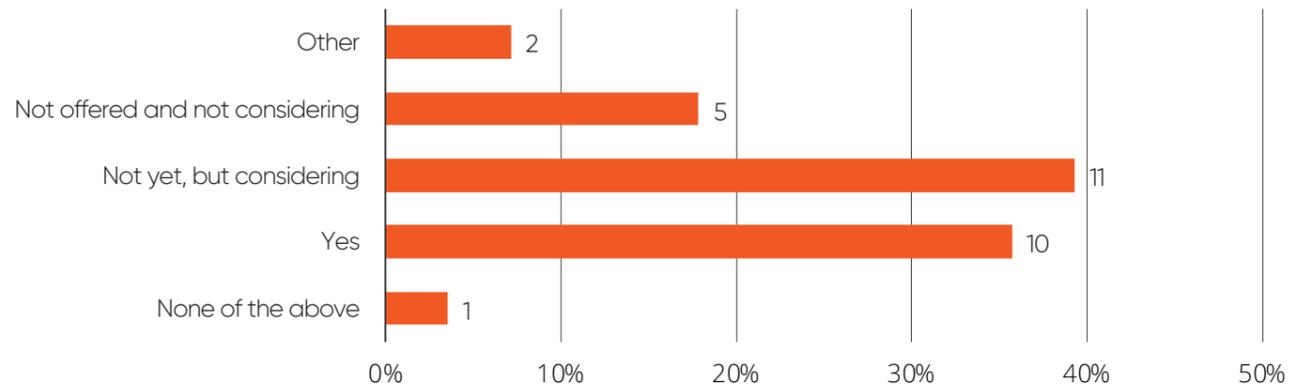
**Does your organisation see the use of an internal carbon price as an enabling mechanism, for example to facilitate setting budgets, price signalling, funding, or a way of realising value?**



**Does your organisation currently have or is considering developing a methodology for carbon shadow pricing or an implicit carbon price?<sup>5</sup>**



**Does your organisation currently have or is considering developing a methodology for calculating an internal carbon price?<sup>6</sup>**



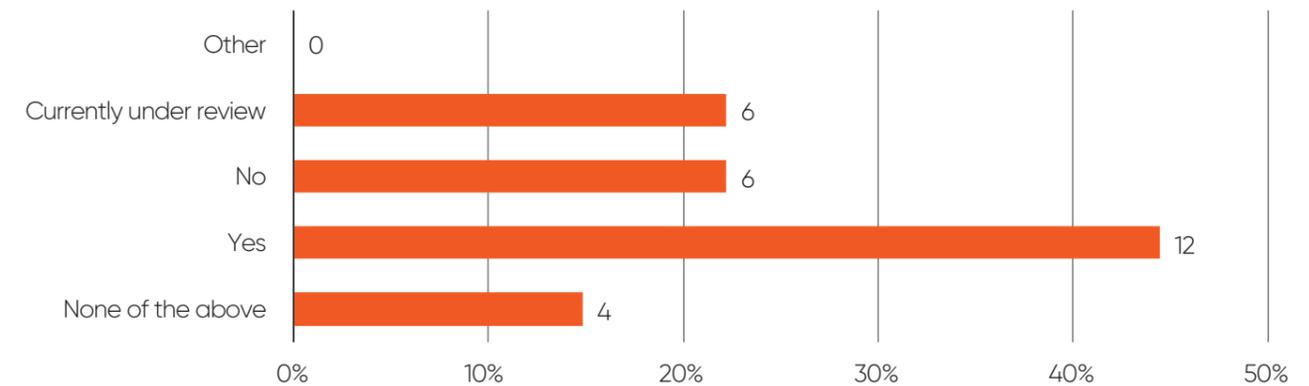
<sup>5</sup> A shadow price is a theoretical price on carbon that can help support long-term business planning and investment strategies. This helps a company prioritize low-carbon investments and prepare for future regulation

<sup>6</sup> An internal carbon price is a monetary value on each ton of carbon emissions, which is readily understandable throughout the organization. The fee creates a dedicated revenue or investment stream to fund the company's emissions reduction efforts

**What is the main incentive for introducing an internal carbon price within your organisation?**



**Has your business identified currently uneconomical emission reduction project(s) that would become economical at a future real carbon price?**



# Appendix A CLC member data

Member	Scope 1 & 2 Emissions (ktCO <sub>2</sub> -e)			Scope 3 Emissions (ktCO <sub>2</sub> -e)	Targets		Number of employees	Total reported revenue (AUD)
	Latest annual figure	Prior 12 months	Prior period	Latest annual figure	Absolute emissions reduction target	Emissions intensity target		
AGL Energy	40,100.0	40,800.0	42,700.0	27,500.0	Y	N	3,897	13,221
Ampol Limited	783.5	798.7	904.2	34,946.5	Y	Y	8,382	21,630
APA	1511.77	1410.01	-	708.9	Y	Y	2,091	2,732
Australian Red Cross	25.5	28.8	30.6	73.7	Y	N	4,656	1,068
Bank of Queensland	3.0	5.0	6.3	35.0	Y	N	3,500	1,682
BHP	12,300.0	16,300.0	15,900.0	401,200.0	Y	N	39,210	65,098
Blackmores Group	10.5	10.9	10.7	2.4	Y	Y	1,220	650
Brisbane Airport Corporation	35.4	30.5	42.5	702.1	Y	N	327	500
Commonwealth Bank	12.0	14.2	18.2	11.7	Y	N	46,189	25,143
Citigroup <sup>7</sup>	-	-	-	-	Y	Y	-	-
Coles Group	1,535.6	1,579.1	1,615.3	22,000.0	Y	N	120,000	39,746
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	90.0	100.0	107.0	-	Y	N	5,200	1,460
Deloitte Australia	0.9	3,641.9	7,081.7	6.0	Y	Y	12,473	2,549
Dexus	107.1	113.8	134.9	21.8	Y	Y	619	1,324
Downer EDI	372.9	506.1	591.1	2,115.7	Y	Y	33,000	12,000
Energy Australia	18,888.6	18,165.0	20,327.0	-	Y	N	2,300	5,530

<sup>7</sup> Reports only global figures, so has been omitted in this report

Member	Scope 1 & 2 Emissions (ktCO <sub>2</sub> -e)			Scope 3 Emissions (ktCO <sub>2</sub> -e)	Targets		Number of employees	Total reported revenue (AUD)
	Latest annual figure	Prior 12 months	Prior period	Latest annual figure	Absolute emissions reduction target	Emissions intensity target		
Fortescue Metals Group	1,910.0	2,080.0	1,930.0	254,730.0	Y	N	11,693	27,449
Goodman Group	14.7	40.4	-	9.0	Y	Y	950	5,156
Harris Farms Markets	63.0	-	-	-	N	N	3,000	-
Incitec Pivot	3,412.0	3,961.2	3776.2	6,278.0	Y	N	5,078	-
Jemena	909.2	-	-	-	Y	N	2,800	-
Laing O'Rourke Australia Group	17.9	-	-	16.3	Y	Y	2,578	2,244
Light Warrior Group	0.016	0.007	-	-	Y	N	17	-
Lion	63.4	68.0	88.2	337.6	Y	N	3,490	2,026
Microsoft Australia <sup>8</sup>	-	-	-	-	Y	N	-	-
Mirvac Group <sup>9</sup>	-0.1	19.0	52.0	8.6	-	-	1,550	2,306
NAB	85.7	96.3	109.7	45.9	Y	N	34,217	8,989
Orica	1,900.0	2,120.0	2,334.0	7,050.0	Y	Y	13,000	2,106
Qantas Group	4,799.3	3,301.7	9,424.6	459.8	Y	N	21,847	9,108
Ramsay Health Care	272.6	271.7	282.2	282.2	Y	Y	88,000	13,740
Rio Tinto <sup>10</sup>	31,100.0	31,500.0	31,500.0	553,500.0	Y	N	46,091	84,660

<sup>8</sup> Reports only global figures, so has been omitted in this report

<sup>9</sup> Achieved carbon negative in FY22 and therefore does not have updated absolute or emissions intensity targets

<sup>10</sup> Headquartered in both Australia and the UK, so global figures have been used

Member	Scope 1 & 2 Emissions (ktCO <sub>2</sub> -e)			Scope 3 Emissions (ktCO <sub>2</sub> -e)	Targets		Number of employees	Total reported revenue (AUD)
	Latest annual figure	Prior 12 months	Prior period	Latest annual figure	Absolute emissions reduction target	Emissions intensity target		
Santos	5,080.0	5,040.0	3,850.0	30,300.0	Y	Y	3,786	4,713
SAP Australia	0.6	0.7	1.0	11.6	Y	N	1,462	1,167
Scentre Group	203.9	235.9	265.9	66.7	Y	Y	2,780	2,663
Schneider Electric Australia <sup>11</sup>	-	-	-	-	Y	Y	-	-
Sims	116.6	135.2	147.9	3,954.4	Y	N	4,330	9,264
Talent	0.1	-	-	2.6	N	N	210	640
TPG Telecom	242.2	-	-	-	N	N	5,840	1,730
Unilever Australia	5.6	5.9	-	-	Y	N	900	-
Viva Energy Australia	1,201.7	1,282.6	1,430.8	35,572.5	Y	Y	1,447	15,900
Wesfarmers	1,225.7	1,476.0	1,620.0	36,000.0	Y	N	114,000	36,838
Woodside Energy	3,547.0	3,608.0	3,309.0	37,186.0	Y	N	3,684	6,962
Woolworths Group	2,007.2	2,139.7	-	28,408.8	Y	N	197,773	60,849
Worley	48.2	67.8	114.2	585.9	Y	Y	51,278	9,065
<b>Total</b>	<b>134,004</b>	<b>140,954</b>	<b>145,929</b>	<b>1,461,544</b>	<b>40</b>	<b>16</b>	<b>904,865</b>	<b>501,914</b>

<sup>11</sup> Reports only global figures, so has been omitted in this report