



Environmental Defenders Office

26 August 2022

Ad Standards
PO Box 5110
BRADDON ACT 2612

Complaint lodged via website at adstandards.com.au

Ampol- Powering better journeys, today and tomorrow.

1. We act for Comms Declare. We are writing on their behalf to ask that you investigate whether statements made by Ampol in a recent Facebook post about “carbon neutral fuel” is misleading. A copy of their recent advertisement can be found at **Annexure A**.

Environmental Claims Code

2. Section 1 of the Environmental Claims Code relates to misleading or deceptive conduct in relation to environmental claims. Clause 1 of the Code requires environmental claims in advertising or marketing communication to not be misleading or deceptive or likely to mislead or deceive, to display disclaimers or important limitations and qualifications prominently and represent the attributes or extent of environmental benefits or limitations in a way that can be clearly understood by a consumer. Clause 2 also requires environmental claims to be relevant and explain the significance of the claim, not overstate the claim or imply the product is more socially acceptable overall.
3. The advertisement makes the following claims:
 - Ampol has a carbon neutral fuel solution;
 - It will be available to their business customers to offset the emissions associated with the sourcing, refining, distribution, retailing and consumption of petrol and diesel fuel products.
4. Given recent concern about greenhouse gas emissions, these statements form a strong overall impression that fuel can be carbon neutral. This may encourage motorists to think driving a car powered by petrol or diesel is not environmentally harmful, which is not the case. In fact, transport emissions are the fastest growing source of Australia’s emissions.¹ Advertisements that argue that petrol or diesel are carbon neutral could mislead consumers into thinking that their driving does not contribute to this problem and result in increased emissions.

¹ <https://www.uow.edu.au/media/2020/transport-is-letting-australia-down-in-the-race-to-cut-emissions.php>

5. The program also relies solely on offsets, rather than the reduction in emissions associated with the fuel production or use itself. This may overstate the impact of offsets on reducing greenhouse gas emissions. In particular, the program uses two offset programs, one involving cheaper international offsets, and the other involving 100% Australian offsets.² Despite the claim to be high quality offsets, for the reasons outlined below offsets are not likely to reduce emissions.

Use of Carbon offsets

6. The Intergovernmental Panel on Climate Change (**IPCC**) has specifically said in the Sixth Assessment Report that there are significant risks around use of carbon offset/sinks particularly under scenarios with increasing CO₂ emissions:

While natural land and ocean carbon sinks are projected to take up, in absolute terms, a progressively larger amount of CO₂ under higher compared to lower CO₂ emissions scenarios, they become less effective, that is, the proportion of emissions taken up by land and ocean decrease with increasing cumulative CO₂ emissions. This is projected to result in a higher proportion of emitted CO₂ remaining in the atmosphere (high confidence).³

7. There are significant risks around offsets if emissions, such as those generated by fossil fuels, continue to expand. Promoting carbon neutral products that do not contribute to reduction in use of fossil fuels could have serious consequences. In 2021, global CO₂ emissions rebounded to their highest level in history.⁴ The IPCC has in its most recent scientific updates conveyed dire warnings about the consequences of inaction on reducing emissions. Even temporarily exceeding 1.5°C warming will have severe impacts on every region on earth.⁵
8. Offsets are problematic and many programs that provide guidance on net zero strategies recommend against their use. The Science-based Targets initiative, for instance, under its Net Zero Standard, does not accept the use of offsets to contribute towards near-term emissions reduction targets, with credits only being accepted in relation to the neutralisation of residual emissions or to finance additional climate mitigation beyond absolute reduction targets.⁶ Similarly, the IGCC states that “over-reliance on offsets and nature-based solutions potentially delays efforts to abate emissions within a company’s value chain and may not account for the limited land and space available to host additional tree coverage or overestimates carbon storage

² <https://www.ampol.com.au/business-services/carbon-neutral-fuel?fbclid=IwAR1PY5CHkCfnib8NpTSQP0lleDXQZ4J2bAR8P4FduoD0iy6t9eZ6A1MfAr0>

³ IPCC, Sixth Assessment Report, *Climate Change 2021: The Physical Science Basis* - https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM.pdf,

⁴ <https://www.iea.org/news/global-co2-emissions-rebounded-to-their-highest-level-in-history-in-2021>

⁵ <https://www.ipcc.ch/2022/06/10/keynote-address-hoesung-lee-technical-dialogue-global-stocktake/>

⁶ SBTi, Does SBTi accept all approaches to reducing emissions? <https://sciencebasedtargets.org/faqs#does-the-sbti-accept-all-approaches-to-reducing-emissions>

potential.”⁷ The Climate Action 100+ Net Zero Company Benchmark states that “the use of offsetting or carbon credits should be avoided and limited if at all applied” in its scoring methodology for the decarbonisation strategy indicator.⁸ A UNEP article summarised this well:

*If we are serious about averting catastrophic planetary changes, we need to reduce emissions by 45 per cent by 2030. Trees planted today can't grow fast enough to achieve this goal. And carbon offset projects will never be able to curb the emissions growth, while reducing overall emissions, if coal power stations continue to be built and petrol cars continue to be bought, and our growing global population continues to consume as it does today*⁹

9. Significant integrity issues have recently been raised with offsets under *Carbon Credits (Carbon Farming Initiative) 2011 (Cth)* by Professor Andrew Macintosh.¹⁰ Professor Macintosh was previously the Chair of the Emissions Reduction Fund Integrity Committee. He has raised concerns about offsets from avoided deforestation in western NSW and human-induced regeneration of native forests in the dry rangelands of Queensland, New South Wales, Western Australia, South Australia and the Northern Territory. These projects account for approximately 75 per cent of Australian Carbon Credit Units (ACCU) issued and do not represent real and additional abatement and therefore do not reduce greenhouse gas emissions. In particular, the projects being used by Ampol include avoided deforestation and human-induced regeneration which are of questionable value. As a result of these concerns, there is currently a review of the ACCU program by former Chief Scientist, Professor Ian Chubb.¹¹
10. Ampol also uses international offset programs. There have been criticisms of the design of some of these programs and questions raised about whether they are in fact reducing emissions.¹² For example, some of the methodologies used in kitchen stove offsets can be miscalculated and therefore not produce the emissions reductions required.¹³ It is unclear how Climate Active certifies these programs when they are overseas based.

⁷ IGCC, Corporate Climate Transition Plans: A guide to investor expectations. <https://igcc.org.au/wp-content/uploads/2022/03/IGCC-corporate-transition-plan-investor-expectations.pdf>

⁸ Climate Action 100+, How does the Benchmark account for the use of offsets or carbon credits? <https://www.climateaction100.org/net-zero-company-benchmark/questions/>

⁹ <https://www.unep.org/news-and-stories/story/carbon-offsets-are-not-our-get-out-jail-free-card>

¹⁰ <https://law.anu.edu.au/news-and-events/news/australia%E2%80%99s-carbon-market-fraud-environment>

¹¹ <https://minister.dcceew.gov.au/bowen/media-releases/independent-review-accus>

¹² <https://www.cseindia.org/rethinking-redd--9198>

¹³ <https://link.springer.com/article/10.1007/s10584-010-9802-0>

International action by UK and Dutch Advertising Standards Associations

11. The Dutch Ad Standards Board ruled an advertisement by Shell about its carbon neutral fuel was misleading.¹⁴ Like the Ampol advertisement, it allowed motorists to pay more at the pump to take part in an offsets scheme. With the fee, Shell offered to purchase associated carbon credits to cancel out the harm caused by their fuel purchase. The complainants argued that the advertisement implied the offsets were the equivalent of emissions from burning fuel in the car, which was not possible due to their low cost. The Dutch Ad Standards Board ruled in the complainants favour and accepted their arguments, requiring Shell to withdraw its advertisement.

12. The United Kingdom Ad Standards Authority also made a similar finding in relation to the Shell “Drive Carbon Neutral” campaign.¹⁵ It featured a radio advertisement that stated: “Although you might not be able to see it, your small actions can have a real impact with Shell. Drive carbon-neutral by filling up and using Shell Go+ today. Make the change. Drive carbon-neutral”. Like Ampol, the “carbon-neutral” claim was supported by balancing (offsetting) carbon emissions to the atmosphere associated with the lifecycle, known as “well-to-wheel”, of petrol/diesel fuels through the purchase and retirement of nature-based carbon credits. The UK Ad Standards found the advertisement misleading because a listener would believe a fuel for which Shell would offset the carbon emissions related to that fuel purchase such that the customer could “Drive carbon-neutral” when this was not the case as it related to joining a loyalty program.

13. If you have any further queries, please do not hesitate to contact me by email on kirsty.ruddock@edo.org.au or by phone at (02) 7229 0031.

Yours faithfully

Environmental Defenders Office



Kirsty Ruddock

Managing Lawyer

Safe Climate (Corporate and Commercial)

¹⁴ <https://theenergyst.com/dutch-ads-watchdog-bites-into-shells-carbon-offsets-campaign/>

¹⁵ <https://www.asa.org.uk/rulings/shell-uk-ltd-g20-1049869-shell-uk-ltd.html>

Annexure A – Ampol Facebook- viewed 11/8/22

<https://www.facebook.com/AmpolAustralia/photos/a.165954685031602/571575451136188/>



A screenshot of a Facebook post from Ampol Australia. The post features the Ampol logo, the text of the announcement, and a photograph of a dense green forest with the text 'Ampol Carbon Neutral' overlaid.

Ampol Australia ✓
13 July · 🌐

We are proud to announce an important step forward in our Future Energy & Decarbonisation Strategy, with the launch of our carbon neutral fuel solution – Ampol Carbon Neutral.

Ampol Carbon Neutral will be available to all of our business customers looking to offset the greenhouse gas emissions associated with the sourcing, refining, distribution, retailing and consumption of our petrol and diesel products.

For more information about Ampol Carbon Neutral, head to:
<https://www.ampol.com.au/business.../carbon-neutral-fuel>



Ampol Carbon Neutral