



Environmental
Defenders Office

Fuelling the Climate Crisis:

**Climate-Related Claims, Net
Zero Plans and Greenwashing in
Australia's Fuel Industry**

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Environmental Defenders Office Ltd (EDO) is a community legal centre specialising in public interest environmental law. We help people who want to protect the environment through law. Our reputation is built on:

Successful environmental outcomes using the law. With over 30 years' experience in environmental law, EDO has a proven track record in achieving positive environmental outcomes for the community.

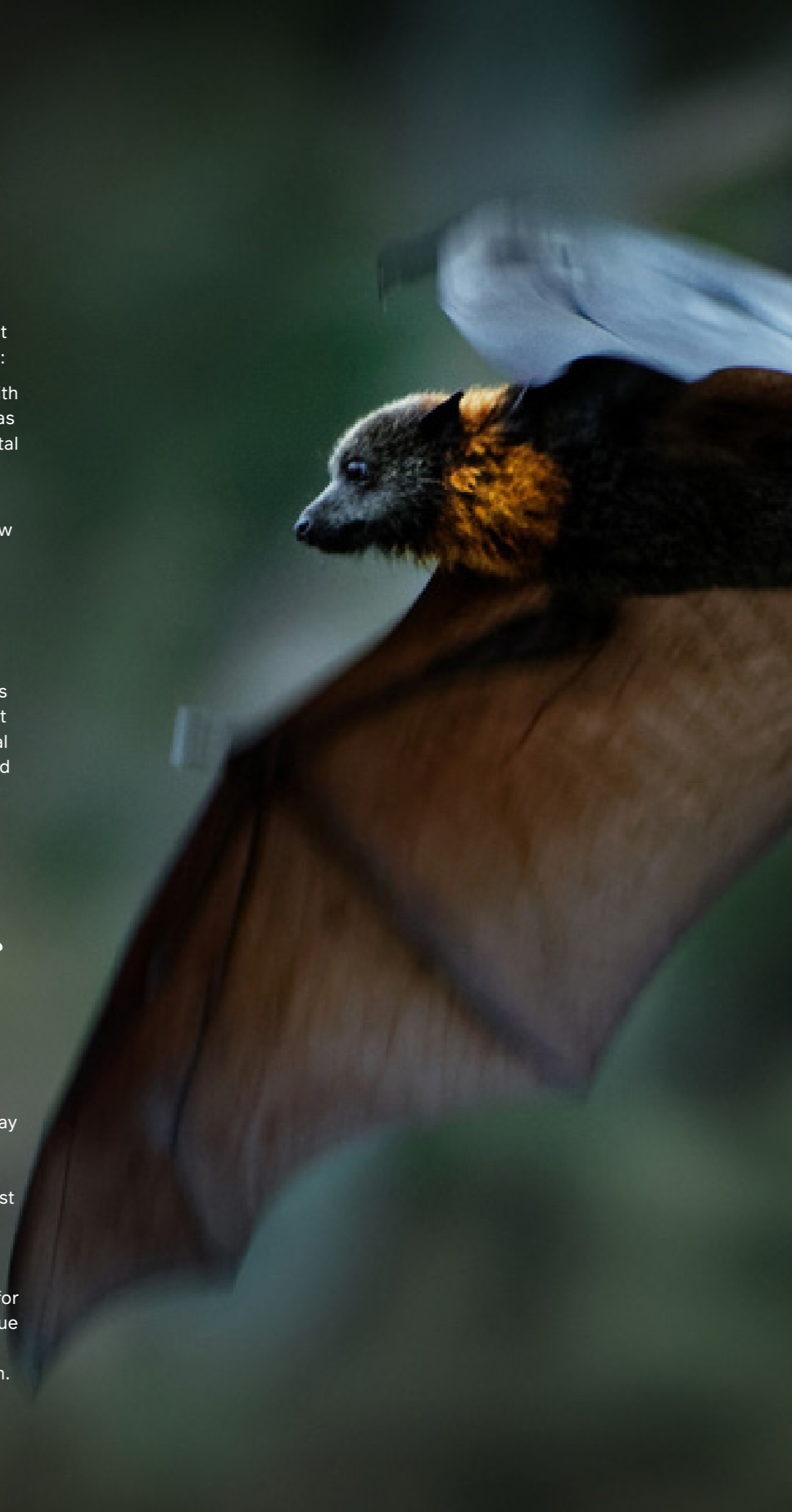
Broad environmental expertise. EDO is the acknowledged expert when it comes to the law and how it applies to the environment. We help the community to solve environmental issues by providing legal and scientific advice, community legal education and proposals for better laws.

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Acknowledgment of Country

EDO recognises and pays respect to the First Nations Peoples of the lands, seas and rivers of Australia. We pay our respects to the First Nations Elders past, present and emerging, and aspire to learn from traditional knowledges and customs that exist from and within First Laws so that together, we can protect our environment and First Nations' cultural heritage through both First and Western laws. We recognise that First Nations' Countries were never ceded and express our remorse for the injustices and inequities that have been and continue to be endured by the First Nations of Australia and the Torres Strait Islands since the beginning of colonisation.



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Scope of the report

This report reviews the climate-related claims and net zero plans of the major players in Australia's fuel industry. By assessing the decarbonisation claims, its aim is to drive better understanding of climate claims and unpack some common claims to give consumers an informed choice as to the climate-related impacts of the products they choose and the companies they invest in.

Climate claims, net zero plans and associated advertising which are misleading have the potential to delay action on climate change as consumers are unaware of the true environmental impacts of products. Australia's regulatory bodies are increasingly focused on corporate greenwashing to ensure consumers are afforded an informed choice and promote fair and transparent markets.



Summary of key findings

Transition plans: The study found the following common deficiencies in fossil fuel companies' net zero emissions plans:

- **Misalignment with Paris Agreement goals:** Not all major fuel retailers are aiming for the Paris Agreement goal of pursuing efforts to limit global temperature increase to 1.5C above pre-industrial levels.
- **Lack of science-based, short-term goals:** None of the major fuel retailers' net zero plans have clear, science-based, short-term goals.
- **Over-reliance on fossil gas and dirty hydrogen:** There is a heavy reliance on fossil gas and blue and grey hydrogen in transition plans.
- **Over reliance on offsets:** There is a significant reliance on carbon credits or offsets, including Climate Active 'carbon neutral' products, without clarification of quality or quantity.

Green claims: The study found the following common deficiencies in fossil fuel companies' green claims:

- **Lack of transparency:** The privately owned companies generally provided less information than the publicly listed companies making a comparison of performance difficult.
- **Lack of clarity:**
 - There is an inconsistent use of terminology when discussing emission reduction and emission intensity reductions which may result in significant differences.
 - Claims in relation to green credentials of products need to be carefully qualified and clarified.
- **Opaque and inconsistent accounting:**
 - Where there is a reference to scope 3 emissions in net zero plans, it is unclear how they are accounted for.
 - Inconsistent emissions accounting practices between the companies makes it very difficult for consumers to compare environmental performance.
- **Over-reliance on EV charging and green hydrogen:** Electric vehicle (EV) charging and green hydrogen fuelling networks are increasingly relied on.

Climate change impacts: The study found a general blindness to the impacts of climate change on fossil fuel businesses.

- There needs to be greater reporting of climate related physical risk to business. Some do not associate operational interruptions with climate change. Of those companies that did consider physical risk, sea level rise and extreme weather events are the most identified physical risks to business.

➤ Background

What is greenwashing?

The increased awareness of the impacts of greenhouse gas emissions on climate change is leading to a global transition to a net zero economy. Consumers are increasingly interested in purchasing sustainable or environmentally friendly products which will assist in the reduction of greenhouse gas emissions. Companies, in an endeavour to increase their market share in this space, are publishing environmental and sustainability claims in relation to their business and products. Claims may be product specific, where they appear on websites, advertisements or social media; company-wide claims, appearing on websites or in reporting documents or corporate social responsibility documents; or claims using logos and symbols (such as certification trademarks) which can appear on websites or advertising.

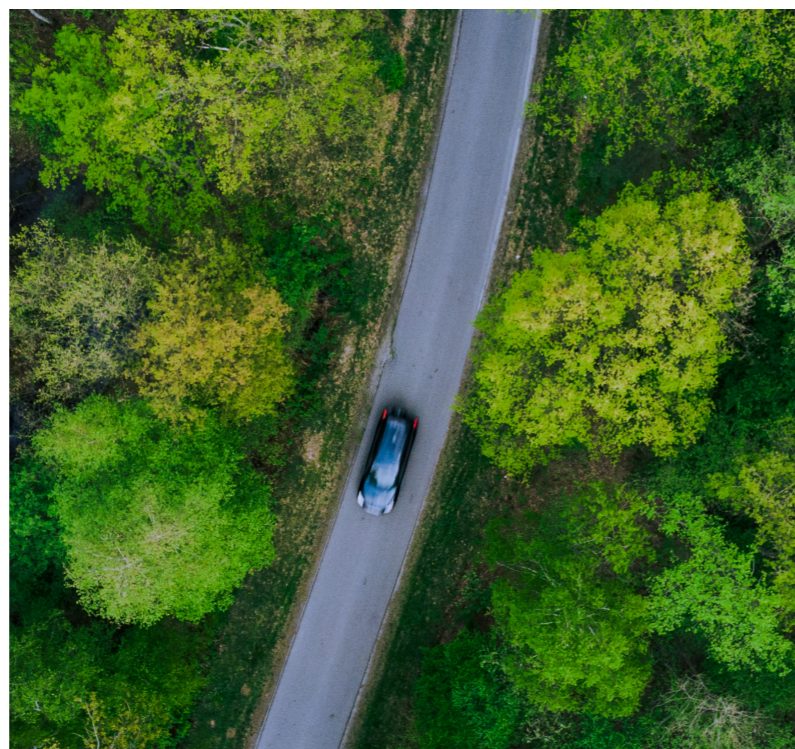
Concerns arise where the claims made by businesses may be false, misleading, or have no reasonable basis. This is often known as 'greenwashing'. Misleading climate claims, or greenwashing, is subject to the laws of misleading or deceptive conduct.

What is a credible net zero plan?

Achieving "net zero" is the process in which greenhouse gas emissions are cut as close to zero as possible and any remaining emissions are re-absorbed from the atmosphere to ensure that anthropogenic emissions produced do not exceed emissions taken out of the atmosphere.³ The net zero by 2050 target was set with an aim of limiting global warming to below 1.5°C and then maintaining that temperature so as to avoid wide-scale, irreversible environmental harm. As of 2022, net zero pledges cover over 91% of the global economy, an increase from 68% in 2021.⁴

A recent report by the United Nations High Level Expert Group on the net zero Commitments of Non-State Entities (UNHLEG Report) was developed with the specific aim of preventing the concept of net zero from being undermined by false claims, ambiguity and greenwashing.⁵ It outlines specific recommendations for providing a credible net zero plan, sometimes referred to as a decarbonisation plan. The report suggests that net zero claims should address the full lifecycle of a product or process, that is scope 1, 2 and 3 emissions.⁶ It also recommends that companies should have short-term, science-based targets to support the long-term pledges. Plans should also show how the company intends to transition away from fossil fuels and should align their external policy and engagement efforts with their goals.

We have used this report to assess the credibility of net zero claims within the fuel industry, and to highlight where they may be potentially misleading under the Australian Consumer Law or the Corporations Act.⁷



Greenwashing and environmental claims

The ACCC, in its draft guidance, has identified eight principles to help companies comply with their obligations under the Australian Consumer Law in relation to environmental and sustainability claims.⁸ These include: make accurate and truthful claims; have evidence to back up the claims; don't leave out or hide important information; explain any conditions or qualifications on the claims; avoid broad and unqualified claims; use clear and easy-to-understand language; visual elements should not give the wrong impression; and be direct and open about your sustainability transition.⁹

One of ASIC's priorities for 2023 includes enforcement action on greenwashing.¹⁰ ASIC is increasingly taking regulatory action on company's misleading statements to promote fair and transparent markets.¹¹ ASIC wants to ensure that retail investors and financial consumers are well informed and not misled about the 'green credentials' of investments and listed companies.¹² ASIC is focusing on net zero statements and targets and claims of decarbonisation that do not appear to have a reasonable basis or are factually incorrect.¹³ Further, the use of terms such as 'carbon neutral', 'clean' or 'green' have been reviewed to ensure there is a reasonable basis for the claim. These statements, targets, claims and terms were used across prospectuses, websites, product disclosure statements, and market announcements.¹⁴

In recognition of the increased use of environmental claims in advertising, the Australian Association of National Advertisers and Ad Standards have adopted the Environmental Claims Code (the Code). The Code assists advertisers fulfil their obligation to be truthful in their claims and not mislead or deceive consumers about the environmental benefits of their products and services. The Code sets out the three key elements advertising must meet as a truthful, factual presentation; a genuine benefit to the environment; and must be able to be substantiated and verifiable.¹⁵





Summary of the fuel industry in Australia

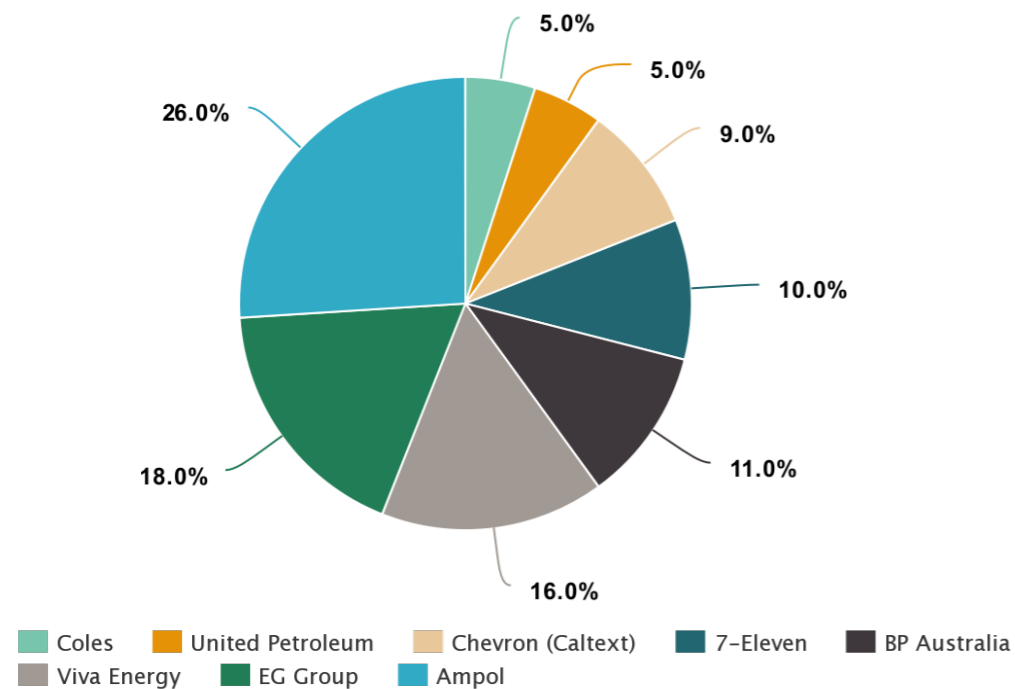
Australia relies on liquid fuels for more than half of its final energy demand.¹⁶ Traditional fuels are expected to play a significant role in Australia's energy mix in the coming years while alternative fuels and new technologies are developed and rolled out.¹⁷ In 2018-19, Australia consumed 60 710ML (mega litres) of petroleum products, a 17 per cent increase since 2010-11.¹⁸ Consumption increased in 2022-23, to 64,026ML of petroleum products.¹⁹

The table below shows the market share of the major fuel companies in Australia.²⁰

Trends in fuel consumption since 2000-01:

- Diesel use has increased by around 125% due to growth in mining industry activities and growth in new generation diesel engines vehicle sales.²¹
- Jet fuel use has increased by 76% due to growth in air travel.²²
- Overall petrol use has declined by 3% resulting from vehicle fuel efficiency improvements.²³ Other potential factors contributing to this decline include increasing electric vehicle purchases²⁴ and motorists not purchasing as much petrol due to increasing working from home arrangements.²⁵
- Use of regular unleaded fuel has declined by more than 45% while ethanol blends increased and now represents 14% of total petrol use.²⁶

Major fuel companies in Australia



Summary of findings on net zero/decarbonisation plans

Company	Do they have a net zero plan?	Do they have a transition plan?	Are these plans credible?
Ampol Ltd	✓ 27	✓ 28	— *29
Viva Energy	✓ 30	✓ 31	— *32
EG Group	✓ 33	✓ 34	— *35
BP Australia	✓ 36	✓ 37	— *38
7-Eleven	✗ 39	✗ 40	✗ 41
ExxonMobil	✓ 42	✓ 43	— *44
Chevron Puma	✓ 45	✓ 46	— *47
United	✓ 48	✓ 49	— *50

* Credible Scope 1 and 2 plans but no credible scope 3, do not include short-term, science-based targets to support the long-term pledges and do not include measurement of progress and reporting.



Analysis of audit findings – net zero/ decarbonisation plans and transition plans



Net zero plans

Only one of the major fuel retailers in Australia did not have a net zero plan. 7-Eleven, a privately owned company, does not have a publicly available annual report or net zero plan. The only reference to sustainability on its website is in relation to packaging.

EG and Chevron fall under their parent company's net zero plan. The remainder of the companies audited have a publicly available net zero target or aspiration for scope 1 and 2 emissions, with associated short-term goals.

Emission intensity v emissions reduction

Chevron, VIVA, BP and ExxonMobil, refer to emission intensity rather than emission reduction. While seemingly innocuous, the difference in the terminology can be significant. Emission intensity is the volume of emissions produced against another relevant unit, such as emissions per unit of output or dollar generated.⁵¹ Absolute emission reductions are the reduction of the physical amount of greenhouse gases emitted into the atmosphere over time.⁵² Emission reduction targets generally refer to the absolute reduction of physical emissions. When relying on emission intensity, if production or dollars generated grows, then so

do emissions. The inconsistency of terminology makes it difficult to understand whether emissions are being reduced to meet net zero targets. It also makes it difficult for consumers to compare the environmental performance of different companies.



The UNHLEG Report states⁵³: Non-state actors cannot focus on reducing the intensity of their emissions rather than their absolute emissions or tackling only a part of their emissions rather than their full value chain (scopes 1, 2 and 3).

Scope 3 emissions and different accounting approaches

Reducing scope 3 emissions is the biggest challenge for the fuel industry as it requires companies to prepare for the decline and exit from their core activities.⁵⁴ Only one of the audited companies (BP Australia) purports to include scope 3 emissions in its net zero emissions, however the basis for the inclusion is based on the use of applicable deductions from qualifying activities such as carbon sinks.⁵⁵

BP Australia uses both carbon emissions and carbon intensity (not the absolute emissions) and scope 3 and Average Life-cycle carbon intensity which makes it difficult to understand the claims.⁵⁶ Further, the definition of net zero is convoluted and hard to understand and incorporates references to the use of "aggregate of applicable deductions from qualifying activities such as sinks under our methodology at the applicable time."⁵⁷ Therefore, while scope 3 is purportedly included in the net zero plan, it is unclear, difficult to understand and may not have a reasonable basis.

Although not included in their net zero plans, Ampol and Viva both note that scope 3 emissions account for 98% and 96.5% of total emissions (respectively). Chevron notes that scope 3 is the largest component of its emissions but does not quantify them. The exclusion of scope 3 emissions is therefore critical to understanding the lack of impact of the net zero plans of these companies.

ExxonMobil justifies the exclusion of Scope 3 emissions from its net zero plan as follows:

Scope 3 often results in double counting of emissions because the same emissions are treated as Scope 3 for the factory making the product and Scope 1 for the company using that same product. The assumptions both parties would have to make about each other's activities make Scope 3 overly complicated and likely inaccurate.⁵⁸

Further, rather than use the widely accepted Greenhouse Gas (GHG) approach for accounting for emissions, ExxonMobil chose to apply the Life-Cycle Approach (LCA). As noted above, BP Australia also take this approach. ExxonMobil outlines its justification as follows:⁵⁹

For this reason, it is notable that LCA allows for consideration of negative emissions when calculating a company's carbon footprint. This is the case because it is designed to reflect a "net" emissions number. The GHG Protocol calculation, on the other hand, does not take negative emissions into account and only provides "gross" emissions estimates. If a company were to rely only on a GHG Protocol analysis, this fact might adversely affect its willingness to invest in environmentally critical technologies like direct air capture.

Chevron has introduced a “portfolio carbon intensity (PCI) metric that represents the carbon intensity across the full value chain associated with bringing products to market, including from the use of sold products, a type of scope 3 emissions.”⁶⁰ It is unclear how this compares to the GHG approach or the LCA approach.

When considering the contribution of scope 3 emissions to total emissions of fuel retailers, the significance of the exclusion of scope 3 from net zero plans is self-evident. Goals or aspirations for net zero of only 2-3% of emissions are, in the scheme of the total emissions, insignificant.

The inconsistent approaches to calculating scope 3 emissions make it exceedingly difficult for consumers to compare each company’s actual net zero claim. Claims become unclear, difficult to understand and substantiate and compare the impact and the overall goals and aims of the sector.

Reliance on 2 degrees of warming under the Paris Agreement

In its Climate Change Position Statement⁶¹, Ampol claims that it supports the Paris Agreement’s long-term goal of limiting the increase in global average temperatures to below 2°C. The central aim of the Paris Agreement is to limit global temperature rise to 1.5°C. A question arises as to whether Ampol’s Net Zero Plan can be said to be aligned with the Paris Agreement and to the basis of the calculations Ampol relies on for its net zero claim. Have Ampol’s net zero projections and modelling been produced to meet the 2 degrees rather than 1.5 degrees? This uncertainty and lack of clarity makes it difficult for consumers to assess and understand Ampol’s net zero claim.

Short term, science-based goals

While the majority of the major fuel retailers included short term goals in their net zero plans, none of them, save for Ampol’s Z Energy business in New Zealand, which has more stringent regulatory requirements, were science-based. When considering this against the recommendations of the UNHLEG Report, none of the net zero plans would be found to be credible.

Reliance on fossil gas for energy transition

Ampol, BP and Chevron are relying on fossil gas as part of their transition plans. BP claims that gas is a much cleaner way of generating power.⁶² The claim is unsubstantiated and overstates the environmental benefit of gas. According to a report by Climate Analytics, data from the National Energy Market demonstrates that average greenhouse gas emissions per unit of gas generation in Australia is 61% that of coal.⁶³ The reliance on fossil gas by these companies undermines the credibility of their transition plans.

Reliance on hydrogen

Green hydrogen produces no greenhouse gas emissions, as it is made by using clean energy to split water into hydrogen and oxygen.⁶⁴ While green hydrogen may be clean,⁶⁵ there is significant uncertainty about when and to what extent it may be commercially viable.⁶⁶ Viva, and United rely on green hydrogen as part of their transition plans.

Blue hydrogen is produced mainly from fossil gas, using a process called steam reforming. While the main product is hydrogen, carbon dioxide is also produced.⁶⁷ Blue hydrogen relies on the use of carbon capture and storage to trap and store the carbon dioxide that is produced.⁶⁸ Approximately 10-20% of the generated carbon cannot be captured.⁶⁹ Grey hydrogen is created from fossil gas, or methane, using steam methane reformation without capturing the greenhouse gases made in the process. The process is the same as blue hydrogen without the use of carbon capture and storage.⁷⁰ ExxonMobil explicitly states it is relying on blue hydrogen for gas substitution while Chevron states that it is relying on green, blue and grey hydrogen in its transition plan. Ampol states that it is relying on hydrogen but does not specify which type. As it is also relying on fossil gas as part of its transition plan, it is likely that it is relying on either blue or grey hydrogen. BP also include hydrogen in its transition plan but do not specify which type. Again, it is relying on fossil gas so it is again likely that it will be blue or grey hydrogen.

This continued reliance on fossil fuels as part of a transition plan is incongruous. The UNHLEG Report states⁷¹:

Non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply.



Reliance on Climate Active certification and carbon credits or offsets

Ampol, Viva, BP and Chevron all include carbon credits or offsets in their transition plans. Only Chevron specifies the quantity (25,000 tonnes per annum). Ampol and Viva, are relying on Climate Active certification of products in their transition plans. Both companies are marketing certain products, including petrol and diesel, as carbon neutral. On its website, Ampol make the following statement:⁷³

By investing in accredited projects that have a positive environmental and sustainable outcome, we can help neutralise the emissions associated with the lifecycle of our products.

...

Ampol Carbon Neutral is built on offsets from accredited, accountable and highly visible climate action projects in Australia and around the world. There's no guesswork: we invest in handpicked reputable projects, and our product is certified against the Australian Government's Climate Active Carbon Neutral Standard.

While images of the Great Barrier Reef and seedlings are used, there is no detail as to what the projects Ampol is selecting are. A consumer would have to know to go to the Climate Active website to find the relevant information. Viva claims to have carbon neutral jet fuel, carbon neutral bitumen products, ground fuels and marine fuels and carbon neutral solvents. Viva provides the following disclaimer in relation to its carbon neutral products:⁷⁴

Viva Energy's Carbon Neutral Products are certified under the Climate Active Carbon Neutral certification scheme. The terms 'Climate Active' and 'Climate Active Certification' are used by Viva Energy under licence. The carbon abatement projects and

suppliers from which Viva Energy acquires and retires eligible carbon credits are subject to change. Information relating to particular carbon abatement projects is subject to change at any time and without notice. Although specific carbon abatement projects may be highlighted on this website, Viva Energy reserves the right to acquire eligible offset units listed under the Climate Active standards, which are specified in Appendix A of the Climate Active Carbon Neutral Standard for Products and Service.

There is no verification provided as to where the credits are likely to come from, only vague references to "nature-based projects." Further there is no clarification as to the type of credits (avoidance credits or removal credits). This reliance on credits or offsets undermines decarbonisation plans as it replaces concrete action to reduce absolute emissions which is the priority this decade.⁷⁵

Reliance on EV Charging networks

A positive trend arising from the audit is that a number of the fuel retailers are actively investing in EV charging networks. Ampol, Viva, EG Group, BP and United are all including a rollout of EV charging networks in their transition plans. While not the primary focus of the transition plans, it is a positive sign that the fuel retailers acknowledge the eventual need to shift to renewable, non-fossil fuel technologies. EG Group note in its Annual Report that Australia, unlike the European Union and some states in the United States, does not have a plan to ban the sale of petrol or diesel cars. Even so, EG has included Australia in the EV charging part of its transition plan.⁷⁶



Physical risk to the business

Climate change is recognised internationally as a material risk to the global financial system – a risk which needs to be managed by capital markets, regulators and corporations. This includes both the physical risks of climate change and the transition risks associated with policy, regulatory and technological change brought on by efforts to mitigate climate change.⁷⁷

Physical risk resulting from climate change can present a material risk to a business. It includes both longer-term changes in climate (chronic risk) as well as changes to the frequency and magnitude of extreme weather events (acute risk), which cause direct damage to assets or property, changes to income and costs, and changes to the cost and availability of insurance.⁷⁸

Climate-related physical risks have financial implications for companies including reduced revenue from decreased production capacity due to interruptions in the supply chain or access to operations being cut, increased operating costs because of inadequate water supply and reduced revenue and higher costs from negative impacts on the workforce.

While reporting on climate-related risk is still evolving, directors of publicly listed companies must report on material risks to the business in its operating and financial review (OFR) component in its annual report. ASIC considers that the law requires an OFR to include a discussion of climate risk where it is a material risk that could affect a business's achievement of its financial performance. Climate risk reporting may also be required in a prospectus.⁷⁹ Material climate-related assumptions and associated uncertainties should be disclosed even if there are no quantitative impacts on recognised balances.⁸⁰

Where a company has not reported on its climate-related physical risk it is arguable that there is potential for a claim of misleading and deceptive conduct under the relevant legislation. It is arguable that where a company should reasonably be aware of potential climate-related physical risk and does not include it in its annual report or prospectus, it is misleading the consumers who are relying on the information to make informed decisions.

Below is a summary of those companies which have included physical risk to the business in their reporting or prospectuses.

Company	Identify physical risk to the business
Ampol	✓ 81
VIVA	✓ 82
EG	✓ 83
BP Australia	✓ 84
7-Eleven	✗ 85
ExxonMobil	✓ 86
Chevron	✓ 87
United	✗ 88



Analysis of audit findings – physical risk to the business

Physical climate risks include both longer-term changes in climate (chronic risk) as well as changes to the frequency and magnitude of extreme weather events (acute risk), which cause direct damage to assets or property, changes to income and costs, and changes to the cost and availability of insurance.⁸⁹

Climate-related physical risks have financial implications for companies including reduced revenue from decreased production capacity due to interruptions in the supply chain or access to operations being cut; increased operating costs as a result of inadequate water supply and reduced revenue and higher costs from negative impacts on the workforce.

Two of the companies audited either do not have any reference to physical risk to business resulting from climate change (7-Eleven and United) or a reference without any detail (Ampol). Ampol lists natural disasters such as bushfires and floods in its operational risks section of the OFR rather than mentioning it in climate-related risk.⁹⁰ The remainder have detailed references to climate related risk either in their Sustainability or Annual Reports.

For those companies who provide a detailed analysis of physical risks to business, sea level rise and extreme weather events are most identified. Heat stress or heatwaves, wildfires, flooding and drought are other physical risks identified.

Ampol mentions operations being interrupted by the 2022 floods for which they are self-insured.⁹¹ Further, Ampol's OFR noted that Z Energy's (the New Zealand based part of the business) retail fuel and shop sales were temporarily impacted by significant flooding experienced in Auckland that reduced mobility.⁹² As noted above, the disclosure of these interruptions to operations is not referenced in the physical risk of climate change.⁹³

EG Group also refer to impacts of flooding in its 2022 Annual Report, specifically, in relation to the increased costs of energy and insurance. This impact is directly related to the physical risks of climate change.⁹⁴

ASIC considers that disclosing and managing climate-related risk is a "key director responsibility,"⁹⁵ and that "directors and officers of listed companies need to understand and continually reassess existing and emerging risks that may be applicable to the company's business, including physical and transitional climate risk."⁹⁶



Potential greenwashing in environmental statements, claims and use of terms

There is growing awareness of the issues associated with potential greenwashing in the fuel industry. For example, in May 2023, the ACCC hosted a meeting of the Fuel Consultative Committee (comprising representatives from the major fuel retailers, refiner-wholesalers, peak industry associations and motoring organisations) to discuss issues of greenwashing relevant to Australian fuel markets.⁹⁷

To determine whether the identified companies may have made claims that could be considered greenwashing, a sweep of their websites, social media, prospectus, product disclosure statements and market statements was undertaken. Case studies have been used to discuss examples found during the sweep.



Case study - Ampol




Exclusion of scope 3 emissions

Ampol outlines its decarbonisation plan on its website⁹⁸, stating that its strategy was developed to address the emissions associated with its operations (scope 1 and 2), together with scope 3 emissions associated with the supply chain

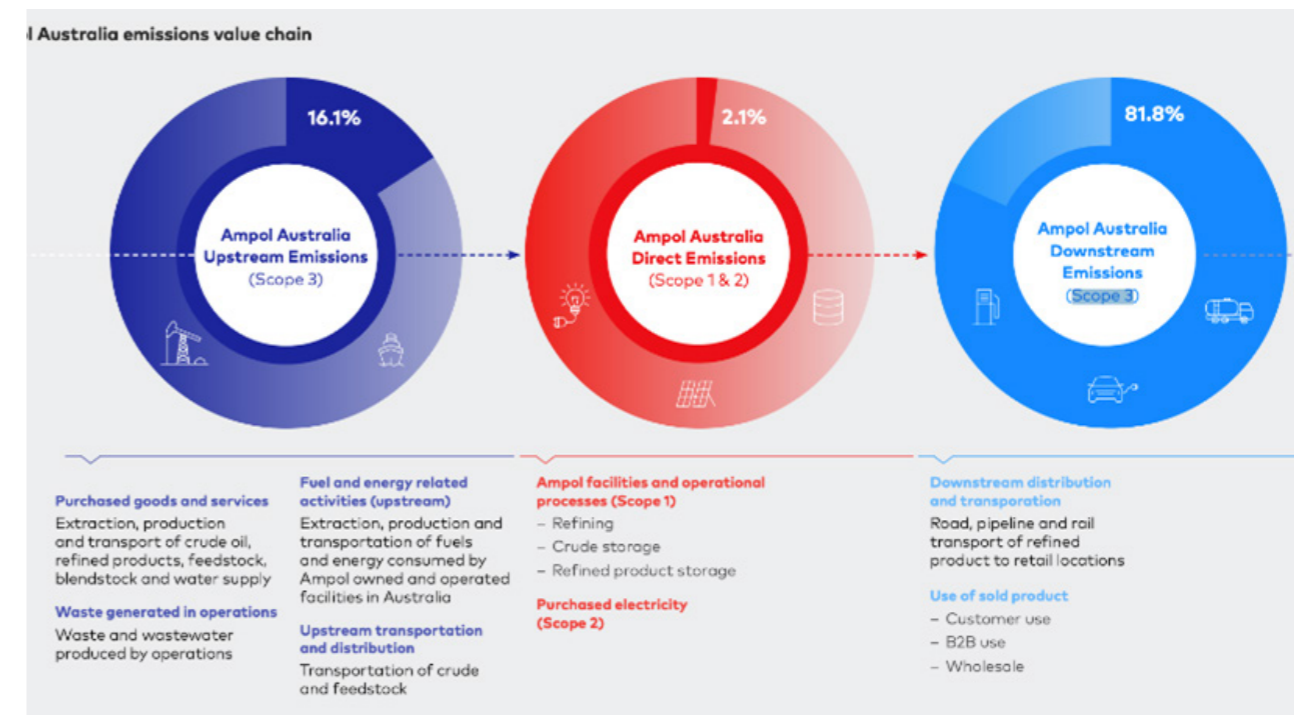
and customers' combustion of Ampol products. An excerpt from the website is extracted below. The reference to scope 3 emissions in the written section is not reflected in the decarbonisation plan.⁹⁹

Ampol's approach to decarbonisation

Our Decarbonisation Strategy was developed to address the emissions associated with our operations (Scope 1 & 2), together with Scope 3 emissions associated with our supply chain and customers' combustion of Ampol products. The strategy sets an ambition to reach net zero emissions on an absolute basis across our operations by 2040, with operational emissions reduction targets consistent with this objective for 2025 and 2030.

By 2025	By 2030	By 2040
<p>Fuels and Infrastructure Reduce operational emissions intensity by 5% from 2021 levels</p> <p>Convenience Retail Reduce operational emissions on an absolute basis by 25% from 2021 levels</p> <p>Renewable Energy Commit to 40% equivalent net renewable electricity for operational use</p>	<p>Fuels and Infrastructure Reduce operational emissions intensity by 10% from 2021 levels</p> <p>Convenience Retail Reduce operational emissions on an absolute basis by 50% from 2021 levels</p> <p>Renewable Energy Commit to 50% equivalent net renewable electricity for operational use</p>	<p>Net zero emissions operations (Scope 1 & 2)</p> 

In its 2023 Climate Report, Ampol outlines its emissions profile in a diagram.¹⁰⁰ The image below shows the amount of scope 3 emissions which are excluded from Ampol's statement of ambition for net zero emissions. The image shows that only 2.1% of emissions are covered in scope 1 and 2. The remaining 97.9% of emissions will remain unabated.



Applying the requirements of the UNHLEG report, Ampol's aspirational net zero claim does not include the full lifecycle (scope 1, 2, and 3), rather only 2.1% of total emissions. The short-term goals are not science-based, except for the part of the business that is in New Zealand where laws are more stringent.

Case study – VIVA Energy

Exclusion of scope 3 emissions – whole of life cycle

When looking at Viva's 2020-21 emissions reported in the 2022 Sustainability report¹⁰¹, total scope 1, 2 and 3 emissions are 39,290,243 (tCO₂-e). To put the net zero pledge into perspective, scope 1 and 2 emissions are only 3.5% of total reported emissions. Most emissions, the scope 3 emissions, are excluded from the net zero plan. When applying the UNHLEG requirement that net zero claims should address the full lifecycle of a product or process, that is scope 1, 2 and 3, VIVA's net zero plan

excludes the scope 3 emissions and therefore bring into question the credibility of the net zero plan.

It is arguable that the claims made by VIVA are misleading within the meaning of ACCC draft guidance as they do not clearly disclose the extent of the relative scope 3 emissions which have been excluded and therefore may exaggerate the environmental benefit of the net zero and decarbonisation claims.

Making the transition to lower carbon energy

We support the objectives of the Paris Agreement and the policies and actions that will help Australia meet its greenhouse gas emission reduction commitments.

The traditional energy forms such as liquid fuels and lubricants we supply will continue to play a critical role and provide energy security in Australia's economy as the transition to a lower-carbon future occurs. Our approach to the energy transition is to support our customers to reduce their greenhouse gas emissions while pursuing opportunities in emerging and transitional lower carbon energies, and commitment to reducing our own operational (Scope 1 and 2) emissions to net zero by 2050.

As part of this, we are committed to medium-term 2030 emissions reduction targets for our operational Scope 1 and 2 emissions, from a FY2019 base year:



Net zero across our Retail, Fuels and Marketing (all non-refining parts of the business)



10% reduction in emissions intensity at the Geelong Refinery

Website claim net zero and transition claim¹⁰²

VIVA's Sustainability Report 2022 claim¹⁰³:

Here, scope 3 emissions are excluded, and the commitments relate only to operational emissions, being 3.4% of the total emissions. Further, the short-term goal only relates to part of the business with the long-term goal relating to the Group, again excluding scope 3 which account for the vast majority of the emissions as seen in the extract below. Unless read together, the claims for net zero may lack clarity and overstate the environmental benefit of the claim.

Net Zero
emissions reduction commitments⁴
Non-refining⁵ by 2030, Group by 2050



1. Excludes performance of Liberty Oil Holdings Pty Ltd.
2. This data is reported on a 1 July to 30 June (FY) basis. It excludes Viva Energy Polymers.
3. Figures are from our section 19, NGER reports, submitted to the Clean Energy Regulator annually by 31 October.
4. Operational Scope 1 and Scope 2 greenhouse gas emissions.
5. Non-refining includes Retail, Fuels and Marketing, and Supply and Distribution.

2022 Performance and progress



Emissions reduction commitments¹

Group net zero by 2050
Net zero by 2030 for non-refining operations
10% emissions intensity reduction for Geelong Refinery operations by 2030



1,378,488^{2,3}

Viva Energy Group Total Scope 1 and 2 GHG emissions (tCO₂-e) (2020-21: 1,202,054³)
Refining: 1,331,406^{2,3} Total Scope 1 and 2 GHG emissions (tCO₂-e) (2020-21: 1,148,245³)
Non-refining: 47,082^{2,3} Total Scope 1 and 2 GHG emissions (tCO₂-e) (2020-21: 53,809³)



37,911,755²

Scope 3 GHG emissions (tCO₂-e) (2020-21: 35,572,492)



5.34⁴

Geelong Refinery Emissions Intensity (tCO₂-e / TJ) (2020-21: 5.04⁴)



111.9

Geelong Refinery Energy Intensity Index (2021: 118.1)



268,191,802^{2,3}

Viva Energy Group Total Energy consumed (GJ) (2021: 247,016,673³)

Figures from the 2022 Sustainability report¹⁰⁴

Climate Active certification - offsets

VIVA claims to have achieved Climate Active Certification for a range of opt-in carbon neutral products, including jet fuel, marine fuels, solvents, bitumen products and transport fuels.¹⁰⁵

Our products have been certified as opt-in carbon neutral products under the Climate Active scheme and have therefore met the requirements of their Carbon Neutral Standard for Products and Services. This is a rigorous and independently audited certification process and has a high level of transparency to ensure confidence in the carbon neutral claims.



In its brochure on the op-in carbon neutral products for transport¹⁰⁶, VIVA relies on the Climate Active certification to make the following claim:

Carbon Neutral Products

Viva Energy has certified opt-in carbon neutral products under the Climate Active scheme and therefore must meet the requirements of their Carbon Neutral Standard for Products and Services.

It is one of the most rigorous and independently audited certification processes globally and has a high level of transparency to ensure confidence in the carbon neutral claims. Certification allows us to use the Climate Active Trademark under a licence agreement framework so that organisations and consumers can quickly identify products that are certified carbon neutral.



There are concerns that the use of the Climate Active trademark program (the program) and its carbon neutral claims may be misleading or deceptive. The program contemplates the use of offsets or carbon credits, rather than an absolute reduction in emissions. The use of offsets is not considered best practice in accordance with best available science, the Paris Agreement or the UNHLEG Report.

The use of the trademark on products and in the sustainability report can be confusing and unclear to consumers who may assume the entire business has been certified, not just the product. The use of the Climate Active trademark implies that VIVA is climate active. This claim is refutable on the basis that VIVA's net zero plan actively excludes scope 3 emissions which represent 96.5% of its total emissions.

The certification is not yet registered as a certification trade mark, and the application has been suspended until further notice having been under review since the application was lodged in 2019.¹⁰⁷ The reliance on this certification then brings into question the net zero claim and decarbonisation plans which rely on the certification and offsets rather than absolute emission reduction to meet the commitments.

Concerns have been raised, as discussed above, in relation to the use of carbon credits to offset emissions rather than reduce absolute emissions. Further, the lack of clarity and certainty of the projects being used to offset emissions undermines the carbon credit schemes. This lack of certainty, clarity and transparency results in inaccurate, unsubstantiated, broad and unqualified claims.

Case Study – BP

BP Australia's transition plan to net zero relies on the use of fossil gas. BP Australia's website makes the following claims in relation to fossil gas¹⁰⁸:

- **Natural gas has far lower emissions than coal** when burnt for power and is a much cleaner way of generating electricity. Switching from coal to gas has cut more than 500 million tonnes* of CO2 from the power sector this decade alone.

* [IEA report 'Role of Gas in Today's Energy Transitions'](#)

BP Australia's claim that fossil gas is "a much cleaner way of generating electricity" is potentially misleading or deceptive. Retail investors and financial consumers rely on the statements made by companies in their published reports and on their websites. ASIC requires statements to be factually accurate and correct. The claim that gas is a much cleaner way of generating electricity is neither factual nor accurate.

According to a report by Climate Analytics entitled "Factchecking the APPEA"¹⁰⁹ data from the National Energy Market demonstrates that average greenhouse gas emissions per unit of gas generation in Australia is 61% of that of coal. This is because the emissions intensity of gas depends on the precise CO2 content of the gas reserve and the type of plant where the gas is combusted.

Further, when taking the whole life cycle of fossil gas into account, BP's representation is inaccurate and not factually correct. Fossil gas is mostly comprised of methane, significant quantities of which are released into the atmosphere at every point along the gas supply chain. In addition to greenhouse gas emissions associated with extraction and production of gas, the combustion of fossil gas to produce energy releases significant quantities of greenhouse gases. When accounting for fugitive emissions during extraction, processing and transport, gas is not a much cleaner way of generating electricity.¹¹⁰

Conclusion

While many fuel retailers are acknowledging their role in the transition to net zero, more needs to be done to reduce absolute greenhouse gas emissions. A recent report by the International Energy Agency (IEA)¹¹¹ identified several ready-to-implement and cost-effective measures to help emissions reductions. These include: tackling methane emissions; eliminating all non-emergency flaring; electrifying upstream facilities with low-emissions electricity; equipping oil and gas processes with carbon capture, utilisation and storage; and expanding the use of low-emissions hydrogen in refineries.¹¹²

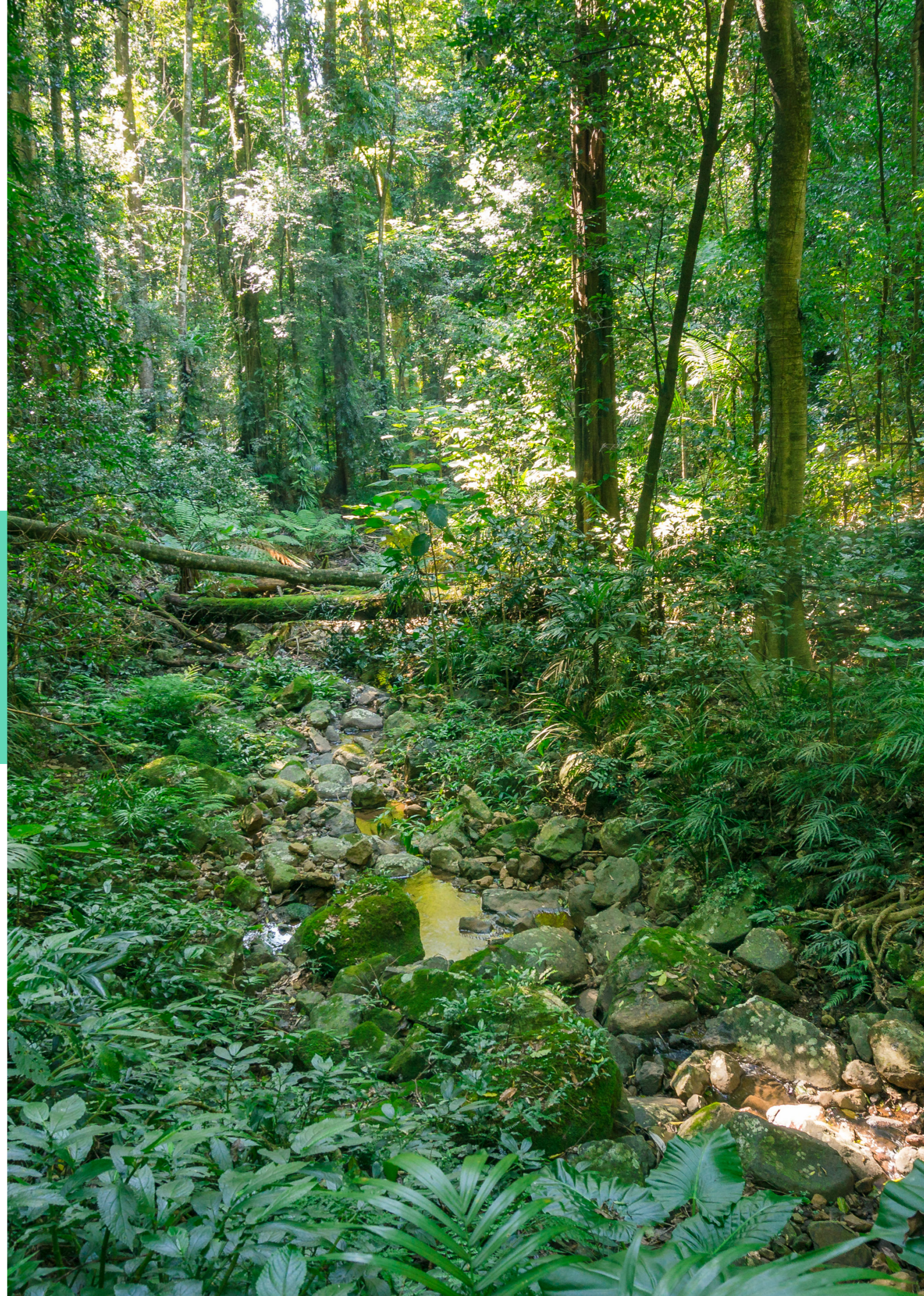
As outlined above, some of these steps have been incorporated into transition or decarbonisation plans. However, more needs to be done to ensure a consistent, science-

based approach both in respect of scope 1 and 2 absolute or total emissions and scope 3 emission reduction. Further, the messaging for consumers needs to be more transparent, clear and concise with necessary qualifications included. The use of accredited carbon neutral and offset schemes needs to include greater detail to ensure consumers fully understand whether emissions are being reduced or offset and if so, how and where.



As the IEA states:

A far broader coalition - with much more ambitious targets - is needed to achieve meaningful reductions across the oil and gas industry and beyond.¹¹³



References

¹ ACCC (2023) Greenwashing by businesses in Australia. Retrieved from <https://www.accc.gov.au/system/files/Greenwashing%20by%20businesses%20in%20Australia.pdf>

² Australian Competition and Consumer Commission (the ACCC) deals with breaches of section 18 of the Australian Consumer Law; the Australian Securities and Investments Commission (ASIC) deals with breaches of 1041H of the Corporations Act 2001; Ad Standards deal with breaches of the Environmental Claims Code which is a standard adopted by the industry as a self-regulating standard.

³ United Nations High-Level Expert Group on the Net zero Emissions Commitments of Non-State Entities, Integrity Matters: Net zero Commitments by Businesses, Financial Institutions, Cities and Regions (Report, 2022) 19 <https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf>.

⁴ Frederic Hans et al., Net zero Stocktake 2022: Assessing the Status and Trends of Net zero Target Setting Across Countries, Sub-National Governments and Companies (Report, June 2022) 17 <<https://ca1-nzt.edcdn.com/Net-Zero-Tracker/Net-Zero-Stocktake-Report-2022.pdf?v=1655074300>>.

⁵ United Nations High-Level Expert Group on the Net zero Emissions Commitments of Non-State Entities, Integrity Matters: Net zero Commitments by Businesses, Financial Institutions, Cities and Regions (Report, 2022) 12 <https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf>.

⁶ The Australian Government Clean Energy Regulator defines Scope 1, 2 and 3. Scope 1: Emissions released into the atmosphere as a direct result of an activity or series of activities at a facility level. They are sometimes referred to as direct emissions. Scope 2: Emissions released to the atmosphere from the indirect consumption of an energy commodity. These are sometimes referred to as 'indirect emissions' which come from the use of electricity produced by the burning of fossil fuels in another facility. Scope 3: These are indirect emissions, other than Scope 2, that are generated in the wider economy. They

result from the activities of a facility but from sources not owned or controlled by that facility's business. Australian Government Clean Energy Regulator (2023) Greenhouse gases and energy. Retrieved from <https://www.cleanenergyregulator.gov.au/NGER/About-the-National-Greenhouse-and-Energy-Reporting-scheme/Greenhouse-gases-and-energy>

⁷ The law regarding misleading and deceptive conduct in Australia is governed by sections 18 and 29 of the Australian Consumer Law (ACL), schedule 2 to the Competition and Consumer Act 2010 (Cth), section 1041H of the Corporations Act 2001 (Cth) and section 12DA of the Australian Securities and Investments Commission Act 2001 (Cth). Accessible online at <https://www.legislation.gov.au/Details/C2023C00043>; <https://www.legislation.gov.au/Details/C2019C00216> and <https://www.legislation.gov.au/Details/C2023C00190>.

⁸ ACCC (2023) Environmental and sustainability claims. Draft guidance for business. Retrieved from https://www.accc.gov.au/system/files/Environmental%20and%20sustainability%20claims%20-%20draft%20guidance%20for%20business_web.pdf

⁹ Ibid.

¹⁰ ASIC (2023) ASIC announces Enforcement Priorities for 2023. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-302mr-asic-announces-enforcement-priorities-for-2023/>

¹¹ ASIC (2023) Update on ASIC's recent greenwashing actions. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-121mr-update-on-asic-s-recent-greenwashing-actions/>

¹² Ibid.

¹³ ASIC (2023) ASIC's recent greenwashing interventions Report 763. Retrieved from <https://download.asic.gov.au/media/ao0lz0id/rep763-published-10-may-2023.pdf>

¹⁴ Ibid.

¹⁵ Ad Standards Environmental Claims see <https://adstandards.com.au/issues/environmental-claims>

¹⁶ Department of Climate Change, Energy, the Environment and Water (2022) Australia's greenhouse gas emissions: March 2022 quarterly update. Retrieved from <https://www.energy.gov.au/government-priorities/energy-security/australias-fuel-security>. Note: Energy demand refers to all uses of energy: electricity, transport fuels and fuels for heating and industrial purposes. See CREDS What is Energy Demand? Retrieved from <https://www.creds.ac.uk/what-is-energy-demand/>

¹⁷ Ibid. DCCEEW.

¹⁸ Australian Institute of Petroleum (API) (2019) Downstream Petroleum. Retrieved from <https://www.aip.com.au/resources/downstream-petroleum>

¹⁹ Energy Australia (2023) Australian Petroleum Statistics Data – Data Extract May 2023 Retrieved from <https://www.energy.gov.au/publications/australian-petroleum-statistics-2023>

²⁰ Ampol was previously known as Caltex Australia Ltd. Rebranded to Ampol in 2020: 'Ampol is Back! Iconic Australian Fuel Brand to Return in 2020', Ampol (Web Page, 2020) <<https://www.ampol.com.au/about-ampol/news-and-media/ampol-is-back-in-2020>>; Viva Energy is the exclusive licensee of Shell fuels: 'Who we are', VIVA Energy Australia (Web Page) <<https://www.vivaenergy.com.au/our-company/who-we-are>>; The EG Group acquired all Woolworths petrol business in Australia where the fuel is provided by Ampol <https://eg-australia.com/who-we-are/>; 7-Eleven is supplied fuel by Mobil: 'Mobil Service Stations', Mobile (Web Page) <<https://www.mobil.com.au/en-au/our-stations>>; Chevron re-entered the end stream market through the acquisition of Puma Energy. Caltex is a global brand owned by Chevron. The Caltex brand is now exclusive and in 2023 will be solely used by Chevron; Coles uses Shell/Viva fuel. Data: Ampol 15%; Viva Energy 8.8%; EG Group 10.2%; 7-Eleven 5.8%; BP Australia 6.2%; Chevron (Caltex) 5%; Coles 3%; United Petroleum 3%. Data is retrieved from the IBISWorld Fuel Retailing in Australia May 2023.

²¹ Australian Institute of Petroleum (API) (2019) Downstream Petroleum. Retrieved from <https://www.aip.com.au/resources/downstream-petroleum>

²² Australian Institute of Petroleum (API) (2019) Downstream Petroleum. Retrieved from <https://www.aip.com.au/resources/downstream-petroleum>

²³ Op cit. AIP at 18

²⁴ 3.8% of all new vehicles purchased in 2022 were electric vehicles, an increase of 86% on 2021. AIP (March 2023) Report on the Australian petroleum market – March quarter 2023 at page 18

²⁵ ACCC (Marh 2023) Report on the Australian petroleum market – March 2023 quarter. Retrieved from <https://www.accc.gov.au/system/files/Report%20on%20the%20Australian%20petroleum%20market%20-%20March%20quarter%202023.pdf>

²⁶ Op. Cit AIP at 18 page 11.

²⁷ Ampol state it has a Decarbonisation Strategy for Scope 1 and 2 emissions together with scope 3 emissions; however, the plan aims to reach Net zero across its operations by 2040 with targets for 2025 and 2030. This does not include Net zero for Scope 3. Note, the only reference to science-based target is in the Z Energy portion of the business (page 26) see <https://www.ampol.com.au/sustainability/decarbonisation>. Ampol states it supports the Paris Agreement's long-term goal of limiting the increase in global average temperatures to below 2 degrees Celsius in its Climate Change Position Statement <https://www.ampol.com.au/sustainability/about>. The central aim of the Paris Agreement is to limit global temperature rise to 1.5 degrees Celsius. It is unclear whether modelling has been produced to meet the 2 degrees rather than 1.5 degrees.

²⁸ Ampol Future Energy and Decarbonisation Strategy identifies opportunities in electrification, hydrogen and other new products and solutions. An investment target has been set to a minimum \$100million to 2025 <https://www.ampol.com.au/sustainability/future-energy-strategy>. Figure 3 at page 6 outlines a move

into the electricity market, creating hydrogen mobility solutions and developing new products and solutions including the use of gas, biofuels and carbon offsets as key transitional products. AmpCharge EV charging services is aimed to be the market leading e-mobility brand in Australia. Ampol will expand its Climate Active certified carbon neutral program to all business-to-business customers to help them decarbonise together with international and Australian nature-based solutions including Human Induced Regeneration and Avoided Deforestation projects See Ampol's 2022 Sustainability Performance Report page 22 at <https://www.ampol.com.au/sustainability>

²⁹ The plans refer to scope 1,2 and 3 emissions however the Net zero emissions operations only relate to Scope 1 and 2 (2.1% of emissions). Ampol prepared a Scope 3 emissions baseline which showed most of its emissions (98%) are Scope 3, arising from combustion of the products it sells. <https://www.ampol.com.au/sustainability/future-energy-strategy> see Figure 4 at page 7. See also 2023 Climate Report at page 12 <https://www.ampol.com.au/sustainability> The claims are not science-based and therefore unable to be validated. It relies on an undisclosed amount of offsetting and has not disclosed the source of the carbon credits.

³⁰ Viva "supports the objectives of the Paris Agreement" and commit to reducing operational emissions (scope 1 and 2) to net zero by 2050. <https://www.vivaenergy.com.au/media/news/2021/viva-energy-announces-net-zero-ambition> A 2030 target for has been set for all non-refining parts of the business. For the gas terminal project, scope 1 and 2 emissions are being targeted for the life of the project. In relation to the refining operations Viva note ultra-low sulphur petrol specifications will increase energy use and emissions at the refinery. Viva notes that it has committed to a 10% reduction by 2030 in emissions intensity by 2030 at its Geelong refinery through a combination of energy efficiency projects and operational optimisation initiatives. Again, these are scope 1 and 2 only without reference to science-based targets. None of the targets are said to be science-

based.

³¹ The transition plan set out in the 2022 Sustainability Report contemplates the short-term investment of \$420 million in Ultra-Low Sulphur Gasoline, strategic storage and the New Energies Service Stations including six ultra fast EV charging stations, including investments in green hydrogen. VIVA intends to have a network of hydrogen refuelling stations along Australia's East Coast. Further, Viva intends to expand its range of opt-in, Climate Active carbon neutral products see <https://www.vivaenergy.com.au/sustainability> at pages 4, 9, 19. It is relying on an undisclosed number of offsets at page 19 of its sustainability report. Its long-term strategy includes the Geelong Energy Hub which will facilitate co-process bio and waste feedstocks to produce biofuels and participate in the circular economy through recycled plastics.

³² The plans consider scope 1 and 2 but exclude scope 3 (which account for 96.5% of emissions). An undisclosed volume of carbon Credits are relied on to offset emissions together with the certification of opt-in products. The targets are not science-based and therefore unable to be validated. The number of source of offsets is unclear.

³³ EG Australia is the Australian subsidiary of British company EG Group which operates the EG Ampol chain of petrol stations own over 540 fuel and convenience sites across Australia. It acquired the sites previously owned by Woolworths with fuel supplied by Ampol. Fuel sales account for 78% of its gross profit. <https://www.eg.group/countries/australia/> While EG Australia does not have its own Net zero Plan, UK based EG Group ESG report applies to Australia and states that the company has a reduction commitment of at least 50% by 2030 and a net zero commitment by 2050 for its own operations. This target is said to be 'in line with science.' The carbon reduction roadmap was developed in 2022 setting out how it will achieve the target through renewable energy and energy efficiency <https://www.eg.group/esg-sustainability/esg-sustainability-segments/planet/>. There is no reference to the use of offsets for its path

to net zero. The ESG report 2022 at page 51 notes that the reported emissions of site-based data only covers company-operated retail sites, it excludes sites that are dealer operated. It is not clear from the report which sites are excluded. <https://www.eg.group/media/ey2pxr5l/eg-group-esg-report-2022.pdf?culture=en#:~:text=We%20have%20worked%20with%20The,further%20procurement%20of%20renewable%20electricity> The report notes that for Australia, there are no residual emission factors available, and the location-based emission factor is used in its place. It is not clear what impact this has on emissions reporting. Use the GHG Protocol for reporting.

³⁴ EG Group have worked with The Carbon Trust to develop a carbon roadmap for its own operations. The ESG report 2022 sets out the roadmap. The roadmap extends to Australian operations however it needs to be read in detail to determine which parts apply. Energy efficiency through change to LED lighting, switching to hybrid vehicles, given the lack of legislative requirements in Australia banning sale of new petrol vehicles, EG has not included Australia in this part of its transition plan. EG's plans to support the transition to a lower-carbon future via alternative fuels and EV charging. <https://www.eg.group/media/ey2pxr5l/eg-group-esg-report-2022.pdf?culture=en#:~:text=We%20have%20worked%20with%20The,further%20procurement%20of%20renewable%20electricity>.

³⁵ The Global Net zero and Transition plans refer to scope 1 and 2 emissions. They do not apply to scope 3. The ESG report states that a Scope 3 carbon reduction target will be explored in 2023/24 taking into account external factors including changes in regulation, suppliers' approach to carbon reduction. See page 7 ESG Report 2022 <https://www.eg.group/media/ey2pxr5l/eg-group-esg-report-2022.pdf?culture=en#:~:text=We%20have%20worked%20with%20The,further%20procurement%20of%20renewable%20electricity>. While the report states it only includes emissions from company operated sites, it is not clear from the report which sites are excluded

and how this impacts emissions. There is no reference to offsets.

³⁶ BP Australia have an ambition to become a net zero company by 2050 or sooner. The CEO is quoted as saying " The direction is set. We are heading for net zero. There is no turning back" https://www.bp.com/en_au/australia/home/who-we-are/reimagining-energy.html.

The 2022 Annual Report outlines the Net zero strategy. It has specific aims across operations, production and sales. BP Australia claim that the strategy remains consistent with the Paris goals. Net zero is defined in the definitions on page 390 in BP Australia's 2022 Annual Report as "References to net zero for bp in the context of our ambition and aims 1,2 and 3 mean achieving a balance between (a) the relevant scope 1 and 2 emissions (for aim 1), scope 3 emissions (for aim 2) or product lifecycle emissions (for aim 3) and (b) the aggregate of applicable deductions from qualifying activities such as sinks under our methodology at the applicable time" <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf> BP outlines an ambition for net zero: 50% reduction of scope 1 and 2 by 2030; 10-15% reduction by 2025 of upstream scope 3; net zero for downstream scope 3 by 2050 or sooner. For 2030 its downstream scope 3 aiming for 15-20% reduction in the lifecycle carbon intensity of the products and physically traded energy products will now be included as part of this calculation. More than 40% or \$6-8 billion of capital expenditure in transition growth engines will be spent by 2025 and around 50% by 2030 or \$7-9 billion. See <https://www.bp.com/en/global/corporate/sustainability/getting-to-net-zero.html> accessed 14 August 2023. Actual figures for emissions are not easy to find, the ESG datasheet 2022 outlines scope 1 and 2 and upstream scope 3 only. There is no data for downstream scope 3. <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-esg-datasheet-2022.pdf>

³⁷ BP Australia has a three-pillar strategy focussed

on investing in the transition growth engines, resilient hydrocarbons (bioenergy which includes customer-facing and midstream biofuels activities that form part of convenience and mobility), convenience and mobility (convenience and EV charging) and low carbon energy (hydrogen and renewables and power) <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>. It is increasing its focus on the role of sustainable biofuels in reducing life cycle emissions from ground transport and in hard to decarbonise transport sectors like marine. It claims to be creating a sustainable aviation industry https://www.bp.com/en_au/australia/home/who-we-are/reimagining-energy.html. BP Australia is relying on fossil gas for its transition to net zero stating it “allows billions of people to enjoy access to lower carbon heat and power. And, as the world works towards net zero emissions, we think natural gas will play an important role in getting us all there.” See https://www.bp.com/en_au/australia/home/who-we-are/sustainability/natural-gas.html. The Annual Report at page 5 sets out the transformation plan including capital investment growth of 27% from 2019-22. BP Australia are relying on carbon credits for bp-originated projects however there is no further information on quantity or quality other than ‘high-integrity’ (page 64 Annual Report).

³⁸ The net zero is an ambition rather than a target. The short-term goals are not science-based. While scope 3 is considered in the plan, it is not clear how these goals will be met. The reliance on fossil gas as part of the decarbonisation plan is highly concerning. It is extremely difficult to find the figures BP are relying on for its emissions and is unclear what it is intending to do. The ESG datasheet 2022 discloses the scope 1 and 2 emissions and the upstream scope 3, not the downstream scope 3 which is possibly the largest contributor to its emissions <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-esg-datasheet-2022.pdf> accessed 14 August 2023.

³⁹ 7-Eleven is one of Australia's largest private companies, with more than 700 stores. The Withers

and Barlow families have a license to operate and franchise 7-Eleven Stores in Australia from the US based 7-Eleven Inc. It has not published an annual report, does not make a statement regarding Net zero on its website. 7-Eleven Australia's sustainability focus is on packaging.

⁴⁰ There is no evidence of a transition plan on 7-Eleven Australia's website. It does not publish annual reports.

⁴¹ 7-Eleven Australia does not have a Net zero or decarbonisation plan that is available to the public. No transition plan is mentioned on its website nor emissions disclosed or discussed. Following searches of the internet no information could be found on 7-Eleven Australia. The US and Japanese websites mention net zero targets and transition plans however these do not apply to Australia.

⁴² “ExxonMobil aims for industry-leading greenhouse gas performance across its businesses by 2030” and new carbon intensity reduction plans for 2025, project to be consistent with the goals of the Paris Agreement. These emission reductions cover scope 1 and 2 emissions from assets operated by the company <https://www.exxonmobil.com.au/energy-and-environment/environmental-protection/environmental-performance/emissions-reductions> accessed 14 August 2023. Its 2023 Advancing Climate Solutions Progress Report found at <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report-claims-that-the-2030-emission-reduction> plan is intensity based (as opposed to absolute or total emissions), cover scope 1 and 2 emissions from assets operated by ExxonMobil. It aims to have a 20-30% reduction in corporate wide greenhouse gas intensity, 40-50% reduction in upstream greenhouse gas intensity, 70-80% reduction in corporate-wide methane intensity and 60-70% reduction in corporate-wide flaring intensity. ExxonMobil aim to achieve net-zero operated scope 1 and 2 emissions by 2050. The short-term goals are not science-based.

⁴³ Its 2023 Advancing Climate Solutions Progress Report found at <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate->

[solutions-progress-report](#) notes that its business is positioned for growth even in an aggressive decarbonisation pathway, driven by the growth potential for chemicals, lower-emission fuels, carbon capture and storage, and hydrogen opportunities. ExxonMobil plans to invest approximately \$17billion on initiatives to lower greenhouse gas emissions, which are also directed towards reducing others' emissions through commercialising and scaling carbon capture and storage, hydrogen and biofuels. “High-quality emissions offsets which may include nature-based solutions” will be relied on (page 11). ExxonMobil will also rely on substituting blue hydrogen for fossil gas to reduce emissions from manufacturing operations (page 12).

⁴⁴ ExxonMobil's plans do not include Scope 3 emissions, they are not science-based targets, nor are there clear transition plans. They will be reducing emission intensity rather than absolute or total emissions. The following quote is taken from the 2023 Advancing Climate Solutions Progress Report: “We also support market-based, technology-neutral policies that recognize the value of addressing full life-cycle emissions versus focusing solely on Scope 3 emissions, thereby incentivizing companies to take actions that reduce emissions, while still meeting the world's demand for essential energy and products.” retrieved from <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report> accessed 14 August 2023. This draws attention away from the actual scope 3 emissions. Elsewhere in the report it is claimed that “Scope 3 often results in double counting of emissions because the same emissions are treated as Scope 3 for the factory making the product and Scope 1 for the company using that same product. The assumptions both parties would have to make about each other's activities make Scope 3 overly complicated and likely inaccurate” (page 44). ExxonMobil claims to rely on the Life-cycle approach rather than the GHG Protocol calculations when determining its level of emissions because the LCA approach allows ExxonMobil to take into account its carbon capture and storage or ‘negative emissions’ (page 45) <https://corporate.>

[exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf](https://www.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf).

⁴⁵ Chevron Australia's parent company, Chevron Corp's Climate Change Resilience – advancing a lower carbon future Report notes that Chevron have an aspiration to be net zero in upstream scope 1 and 2 carbon intensity (as opposed to actual emissions) by 2050 and that it supports global net zero ambitions of the Paris Agreement. Chevron believes the future of energy is lower carbon. Chevron has introduced a “portfolio carbon intensity (PCI) metric that represents the carbon intensity across the full value chain associated with bringing products to market, including from the use of sold products, a type of Scope 3 emissions” (page 38). Chevron notes that scope 3 are the largest category of emissions associated with its activities. Chevron claims at page 38 that the PCI will capture its aspiration of net zero for upstream scope 1 and 2 emissions. The 2028 short-term target has no scientific basis. <https://www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf>

⁴⁶ To transition to lower carbon Chevron are relying on a number of strategies: carbon pricing, renewable fuels, renewable power, carbon capture and storage, fossil gas, green, blue and grey hydrogen (without clearly identifying the differences or impacts), and 25 thousand tonnes per annum of undefined offsets. <https://www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf>

⁴⁷ Chevron's 2028 short term target does not appear to be science based. Its transition plan relies on fossil gas, grey and blue hydrogen, unspecified offsets, carbon capture and storage. Chevron uses a different method of calculating its emissions (PCI) and discusses reduction of carbon intensity rather than emissions. It purports to include Scope 3 in its calculations however it is not clear how these are captured.

⁴⁸ United is committed to reduce C^o2 emissions from stores to net zero by 2050. <https://www.unitedpetroleum.com.au/app/uploads/2022/11/Final->

[UP_SustainabilityReport_compressed.pdf](#)

⁴⁹ United's aim for protecting the planet is to "drive down emissions by adopting new technologies as they become feasible" see https://www.unitedpetroleum.com.au/app/uploads/2022/11/Final-UP_SustainabilityReport_compressed.pdf examples include investigating the introduction of vehicle charging stations, hydrogen refuelling facilities as soon as the market is ready, E10 fuel sales, green hydrogen as a replacement fuel, modern fleet of heavy vehicles to ensure excellent fuel economy and the lowest possible emissions. Rollout of LED lighting, installation of solar panels at service stations, use of wall and roof insulation in new builds to minimise heat loss or gain, compliant energy management systems.

⁵⁰ Has not published an annual report. Targets are not science based, there is no data to enable validation of claims. Claims are broad and unqualified. From the statement "from our stores" the claim only relates to scope 1 and 2, not full life cycle. No transition plan away from fossil fuels.

⁵¹ Business Council of Alberta (2021) Emissions intensity and absolute emissions: What they are and why it matters. Retrieved from <https://businesscouncilab.com/insights-category/analysis/emissions-intensity-and-absolute-emissions-what-they-are-and-why-it-matters/#:~:text=Emissions%20intensity%2C%20on%20the%20other,among%20many%20other%20possible%20measures>.

⁵² Ibid.

⁵³ UNHLEG Report at page 7 Retrieved from <https://www.un.org/sites/un2.un.org/files/high-level-expert-group-update-7.pdf>

⁵⁴ Rose, A., Wilson, C., Bunting, T., and Shrimali G (2023) Assessing the credibility of climate transition plans in the oil and gas sector. Retrieved from https://sustainablefinance.ox.ac.uk/wp-content/uploads/2023/07/SSEE-Discussion-Paper-Oil-Gas-final_AR.pdf

⁵⁵ See BP's 2022 Annual Report at page 390.

⁵⁶ See for example BP's 2022 Annual Report at page 45

- Getting bp to net zero <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>

⁵⁷ See definition of Net zero in BP's 2022 Annual Report at page 390 <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>

⁵⁸ ExxonMobil 2023 Advancing Climate Solutions Progress Report Page 44 <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report>

⁵⁹ ExxonMobil 2023 Advancing Climate Solutions Progress Report Page 45 <https://corporate.exxonmobil.com/news/reporting-and-publications/advancing-climate-solutions-progress-report>

⁶⁰ Chevron Corp's Climate Change Resilience – advancing a lower carbon future Report at page 38 <https://www.chevron.com/-/media/chevron/sustainability/documents/2021-climate-change-resilience-report.pdf>

⁶¹ See <https://www.ampol.com.au/sustainability/about>

⁶² See discussion in greenwashing section below.

⁶³ Bill Hare, Climate Analytics, Briefing: Factchecking the APPEA (8 June 2023) p2-3.

⁶⁴ World Economic Forum (2021) Grey, blue, green – why are there so many colours of hydrogen? Retrieved from <https://www.weforum.org/agenda/2021/07/clean-energy-green-hydrogen/>

⁶⁵ Ibid.

⁶⁶ See, for example, Climate Council (18 October 2021) 'The Challenges in Pursuit of a Green Hydrogen Economy', Retrieved from <https://climatecouncil.com/articles/the-challenges-in-pursuit-of-a-green-hydrogen-economy/>.

⁶⁷ national grid, The hydrogen colour spectrum. Retrieved from <https://www.nationalgrid.com/stories/energy-explained/hydrogen-colour-spectrum>

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⁷¹ UNHLEG Report at page 7 Retrieved from <https://www.un.org/sites/un2.un.org/files/high-level-expert-group-update-7.pdf>

⁷² See <https://www.vivaenergy.com.au/business/carbon-solutions/opt-in-carbon-neutral-products> and <https://www.ampol.com.au/business/products-and-services/carbon-neutral>

⁷³ See <https://www.ampol.com.au/business/products-and-services/carbon-neutral> accessed 17 August 2023.

⁷⁴ See <https://www.vivaenergy.com.au/business/carbon-solutions/opt-in-carbon-neutral-products>

⁷⁵ UNHLEG Report at page 38.

⁷⁶ EG Group 2022 Environment, Social and Governance Report at page 20. Retrieved from <https://www.eg.group/media/ev2pxr5l/eg-group-esg-report-2022.pdf?culture=en#:~:text=We%20have%20worked%20with%20The,further%20procurement%20of%20renewable%20electricity>.

⁷⁷ Australian Government Treasury (2023) Climate Related Financial Disclosure Retrieved from https://treasury.gov.au/sites/default/files/2022-12/c2022-314397_0.pdf

⁷⁸ Australian Prudential Regulation Authority (2021) Prudential Practice Guide – CPG 229 Climate Change Financial Risks. Retrieved from <https://www.apra.gov.au/sites/default/files/2021-11/Final%20Prudential%20Practice%20Guide%20CPG%20229%20Climate%20Change%20Financial%20Risks.pdf>

⁷⁹ ASIC (2021) Managing climate risk for directors. Retrieved from <https://asic.gov.au/about-asic/news-centre/articles/managing-climate-risk-for-directors/>

⁸⁰ KPMG Climate Disclosures within the Annual Report, An Australian Focus. Retrieved from <https://kpmg.com/au/en/home/insights/2020/06/>

[climate-disclosures-annual-report-australian-focus.html#:~:text=Regulators%20expect%20climate%20impacts%20to,Annual%20Report%20\(where%20material\)](#)

⁸¹ Ampol identify climate change in its material risk register however there is no detail provided. The Annual report at page 62 states "Further information on Ampol's implementation and alignment with TCFD will be released during 2023." <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports/2022>. Further, Ampol's Climate Change Position Statement includes building resilience to both the transitional and physical risks posed by Climate Change, but again, no detail is given as to what these are. <https://www.ampol.com.au/sustainability>

⁸² Physical Risks to business are outlined in the 2022 Sustainability Report at page 20. Identified risks include: decline in demand for products due to government policy, technology or market changes in response to climate change (including shifts in consumer preferences); increased operating costs arising from regulatory responses to reduce greenhouse gas emissions (such as a price on carbon); increased exposure to legal action as stakeholder scrutiny of emissions intensive industries grows; increased reputational impacts affecting VIVA's ability to attract investment and talent; and physical impacts on assets and supply chains from increased frequency and severity of extreme weather events and rising sea levels. See <https://www.vivaenergy.com.au/sustainability>

⁸³ Climate related risk are identified in EG Group Environment, Social and Governance Report at page 12. Key physical risks to sites and operations include: Changing climate and more frequent extreme weather events. The physical risks are further discussed in the Annual Report at page 38. There it notes greater risk of damage to property and supply chain disruption. Increase insurance costs and increase in energy costs due to greater need for cooling in some regions. Increased risks of heat stress, precipitation stress, fire risk and drought over the medium and longer term with the highest risks in Australia, Italy and the

east and west coasts of the USA. Sea level rise and flood risk will affect some sites in Australia by 2030. <https://www.eg.group/media/fsdhahne/eg-group-limited-2022-annual-report-and-financial-statements.pdf?culture=en>

⁸⁴ In its 2022 Annual Report BP Australia briefly refers to physical risks at pages 53, 57. Risks such as extreme weather, flooding, extreme precipitation, temperatures and sea level rise, water scarcity. See <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>

⁸⁵ No publicly available annual report or climate report for 7-Eleven.

⁸⁶ In its 2023 advancing climate solutions progress report, ExxonMobil note at page 50 that it considers changes in patterns of waves, wind or ice floes, sea level rise, changes in storm surge, flooding, changes in wind and seismic activity. <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf> Further, ExxonMobil note that they have tested the resilience of the business against a range of future scenarios aligned with the Paris Agreement based on the IEA's Net zero Emissions by 2050 scenarios. ExxonMobil claim that "These resiliency tests demonstrate that our business is positioned for growth even in an aggressive decarbonisation pathway." No Data is provided in support of these claims or information to clarify what the risks are that have been tested. At page 54, ExxonMobil outlines the Board's approach to assessing climate risk.

⁸⁷ In its Climate Change Resilience: Advancing a lower carbon future 2021 Report p9, Chevron acknowledges the physical climate risks of climate change such as hurricanes, severe storms, floods, heatwaves, wildfires, ambient temperature increases and sea level rise.

⁸⁸ There is no mention of physical risk in the 2022 Sustainability Report. There is no publicly available Annual Report.

⁸⁹ Australian Prudential Regulation Authority (2021)

Prudential Practice Guide – CPG 229 Climate Change Financial Risks. Retrieved from <https://www.apra.gov.au/sites/default/files/2021-11/Final%20Prudential%20Practice%20Guide%20CPG%20229%20Climate%20Change%20Financial%20Risks.pdf>

⁹⁰ Ampol 2022 Annual Report at page 62. Retrieved from <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports/2022>

⁹¹ Ampol 2022 Annual Report at pages 8 and 55. Retrieved from <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports/2022>

⁹² Ampol 2022 Annual Report at page 60. Retrieved from <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports/2022>

⁹³ Ampol 2022 Annual Report at pages 61-62. Retrieved from <https://www.ampol.com.au/about-ampol/investor-centre/annual-reports/2022>

⁹⁴ EG Group 2022 Annual Report and Financial Statement at page 38. Retrieved from <https://www.eg.group/media/fsdhahne/eg-group-limited-2022-annual-report-and-financial-statements.pdf?culture=en>

⁹⁵ Cathie Armour, (2021) Managing climate risk for directors. Retrieved from: <https://asic.gov.au/about-asic/news-centre/articles/managing-climate-risk-for-directors/> (accessed 8 June 2023).

⁹⁶ Hughes S., (2021) Corporate governance update: climate change risk and disclosure. Retrieved from <https://asic.gov.au/about-asic/news-centre/speeches/corporate-governance-update-climate-change-risk-and-disclosure/>

⁹⁷ ACCC (May 2023) Report on the Australian petroleum market – March quarter 2023 at page 15.

⁹⁸ Ampol's approach to decarbonisation <https://www.ampol.com.au/sustainability/decarbonisation> accessed 14 August 2022.

⁹⁹ Ampol's approach to decarbonisation <https://www.ampol.com.au/sustainability/decarbonisation> accessed 10 August 2023.

¹⁰⁰ See page 12 of the report available at <https://www.ampol.com.au/sustainability/decarbonisation> accessed on 14 August 2023.

[ampol.com.au/sustainability/decarbonisation](https://www.ampol.com.au/sustainability/decarbonisation) accessed on 14 August 2023.

¹⁰¹ see <https://www.vivaenergy.com.au/sustainability>

¹⁰² <https://www.vivaenergy.com.au/sustainability/climate-change> accessed on 10 August 2023.

¹⁰³ see <https://www.vivaenergy.com.au/sustainability> page 3

¹⁰⁴ Viva Energy Australia (2023) 2022 Sustainability Report accessed from <https://www.vivaenergy.com.au/sustainability>

¹⁰⁵ VIVA Energy Australia Sustainability report 2022 <https://www.vivaenergy.com.au/sustainability> at page 9.

¹⁰⁶ VIVA Energy Australia Op-in Carbon Neutral Products for Transportation at page 3 <https://www.vivaenergy.com.au/business/carbon-solutions/opt-in-carbon-neutral-products>

¹⁰⁷ ACCC (2023) Department of Climate Change, Energy, the Environment and Water – CTM application – 2042153 <https://www.accc.gov.au/public-registers/certification-trade-marks-register/department-of-climate-change-energy-the-environment-and-water-%E2%80%93-ctm-application-%E2%80%93-2042153>

¹⁰⁸ BP Australia, How can gas be part of a low carbon world? See https://www.bp.com/en_au/australia/home/who-we-are/sustainability/natural-gas.html accessed 11 August 2023.

¹⁰⁹ Bill Hare, Climate Analytics, Briefing: Factchecking the APPEA p2-3

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¹¹³ IEA Press Release Retrieved from <https://www.iea.org/news/new-iea-report-highlights-the-need-and-means-for-the-oil-and-gas-industry-to-drastically-cut-emissions-from-its-operations>



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